

THE WALL STREET JOURNAL.

DOW JONES | News Corp * * * * FRIDAY, SEPTEMBER 8, 2023 - VOL. CCLXXXII NO. 58 WSJ.com * * * * \$5.00
DJIA 34500.73 ▲ 57.54 0.17% NASDAQ 13748.83 ▼ 0.9% STOXX 600 453.67 ▼ 0.1% 10-YR. TREAS. ▲ 7/32, yield 4.260% OIL \$86.87 ▼ \$0.67 GOLD \$1,917.50 ▼ \$0.60 EURO \$1.0697 YEN 147.30

What's News

Business & Finance

- ◆ **Health-insurance costs** are climbing at the steepest rate in years, with some projecting that the biggest increase in more than a decade will wallop businesses and their workers in 2024. **A1**
- ◆ **Walmart is paying** some new store workers less than it would have three months ago, a sign that employers are seeking to cut labor costs as the once-hot market for hourly staff cools. **A1**
- ◆ **French billionaire** François-Henri Pinault's family investment firm agreed to buy a majority stake in Hollywood talent agency CAA from private-equity firm TPG, the companies said. **B1**
- ◆ **The S&P 500 declined** for a third consecutive trading day, falling 0.3%, while the Nasdaq retreated 0.9% and the Dow gained 0.2%. **B11**
- ◆ **China's exports dropped** for a fourth straight month in August, bringing little relief to the country from a deepening economic malaise and weighing on the global trade outlook. **A7**
- ◆ **Former FTX executive** Ryan Salame became the fourth associate of company founder Sam Bankman-Fried to plead guilty to criminal charges tied to the collapse of the crypto exchange. **B1**
- ◆ **The SEC is investigating** billionaire Ryan Cohen's ownership and surprise sale of Bed Bath & Beyond shares at a time when such so-called meme stocks were all the rage with investors. **B1**
- ◆ **Apple faced a new** competitive threat in China as Huawei released a smartphone capable of ultrafast data connectivity. **B1**

Head-Spinning Heat Hangs On



CHANNEL HOPPING: A swimmer in the British seaside resort of Brighton leaps into the English Channel on Thursday seeking relief from the higher-than-usual temperatures that continue to bake the U.K. and the Continent late into the summer.

Employers' Health-Plan Costs to Swell

By ANNA WILDE MATHEWS

Health-insurance costs are climbing at the steepest rate in years, with some projecting the biggest increase in more than a decade will wallop businesses and their workers in 2024. Costs for employer coverage are expected to surge around 6.5% for 2024, according to major benefits consulting firms Mercer and Willis Towers Watson, which provided their survey results to The Wall Street Journal. Such a boost could add significantly to the price tag for employer plans that already average more than \$14,600 a

year per employee, driving up health-insurance costs that are among the biggest expenses for many U.S. companies and a drain on families' finances. Employers worry the hike might signal a new trajectory, with health costs resuming the rapid upward march of the early 2000s. Now, though, big increases would come on top of a total annual cost per covered family that is often equivalent to the purchase price of a small car. These increases come at a time when employers are reluctant to add to out-of-pocket charges that have left some of their workers in debt or unable to get *Please turn to page A4*

Walmart Cuts Wages For Some New Staff

By SARAH NASSAUER

Walmart is paying some new store workers less than it would have three months ago, a sign that employers are seeking to cut labor costs as the once-hot market for hourly staff cools. The country's largest private employer changed its wage structure for hourly workers in mid-July, according to documents reviewed by The Wall Street Journal and Walmart employees. Under the new structure, most new hires will earn the lowest possible hourly wage for

that store. In the past, some new hires, such as those who collect items for online orders, would have made slightly more than other new staff members, such as cashiers. The wage-structure change comes after Walmart and other large employers have for years steadily raised wages and added benefits to attract workers in a tight labor market. The retailer's latest move suggests that the stresses companies are facing in trying to find employees are easing and that they need to find ways to offset those wage increases. *Please turn to page A6*

World-Wide

- ◆ **A jury convicted** former White House trade adviser Peter Navarro of contempt of Congress charges for defying a subpoena from the House committee investigating the attack on the Capitol. **A4**
- ◆ **Canada appointed** a judge to lead a probe into alleged foreign interference into the country's politics, months after security officials said they believed China's Communist Party paid agents to thwart Trudeau's rivals in the 2021 general election. **A8**
- ◆ **California's legislature** passed a first-in-the-nation excise tax on firearms and ammunition, the latest in a series of strict gun laws to gain traction in the Democratic-controlled legislature. **A6**
- ◆ **The manhunt** for an escaped Pennsylvania inmate entered its second week as law-enforcement officials continued their search while urging local residents to remain vigilant. **A3**
- ◆ **Biden will nominate** Mike Whitaker to lead the FAA, the White House said, the administration's latest attempt to install permanent leadership at the air-safety regulator. **A6**
- ◆ **Railroads that fail** to provide reliable service could be ordered to share tracks with competitors under a proposed rule that backers say would increase competition in the transportation of goods across the U.S. **A3**
- ◆ **Deepening global rivalries** will overshadow this week's G-20 gathering as the leaders of China and Russia stay home and the U.S. seeks to strengthen ties to India as a counter to Beijing. **A8**

CONTENTS Markets... B11 Arts in Review... B7 Banking & Finance... A13-15 Business News... A12 Crossword... B4 Heard on Street... A2-4,6 Mansion... A7-8,16

Blue-Collar Industries Accelerate Bid to Hire Women

By SARAH CHANEY CAMBON AND SABRINA SIDDIQUI

WASHINGTON—Ashley Lair was struggling to pay rent when she decided to leave her bartending job last year and pursue a new career in the construction industry. Now, a year into her apprenticeship, Lair drives haul trucks and transports dirt, gravel and rocks for a highway project. She earns \$38 an hour, plus overtime—more than double her pay as a bartender. The Redmond, Ore., resident no longer worries about affording rent. “I have fun telling people who knew me from bartending what I do for a living now,” said Lair, 34 years old. “I’m like, ‘Oh, I run heavy equipment,’ and they’re like, ‘What?’” The Biden administration and the construction industry are urging other women to embrace Lair’s unorthodox career path. The \$550 billion, bipartisan infrastructure law passed in 2021 has funded nearly 37,000 projects to date and is projected to create millions of jobs. But that boom in investment comes amid a nationwide shortage of infrastructure workers. The federal government is working with tradeswomen organizations and local governments to help women enter and stay in the labor force, developing strategies that include offering child-care services and addressing gender-based violence and harassment in the workplace, officials said. “It’s an economic necessity to figure out how to attract, train and retain women into these fields if we’re going to get the job done,” Commerce Secretary Gina Raimondo said. *Please turn to page A2*

Musk’s Impulses Remake Twitter

Favors for friends such as Kanye West follow his takeover of platform now called X

Kanye West reached out to his friend Elon Musk early this year for a favor: Let me back on Twitter.

By Georgia Wells, Alexa Corse and Kirsten Grind

The social-media platform had suspended West in December for violating its rule against hate speech after he posted an image of a swastika merged with a Star of David. The musician and designer, who goes by the name Ye, has been considering a 2024 presidential run, according to people familiar with

his plans, and his campaign advisers wanted him back on. Previously, Twitter wouldn’t have reinstated anyone’s account without a formal company review. After Musk bought the company, which he recently renamed X Corp., he upended that process, current and former employees said, making many content decisions himself. In July, after Musk consulted with his new chief executive officer, Linda Yaccarino, the company ordered employees to work over a weekend to reinstate West’s account. The company

said West wouldn’t be allowed to make money from his account, and would have to abide by company policies. After Musk bought Twitter for \$44 billion last October, he promised users fairness and transparency. Since then, the platform designed to be the world’s public square is being driven in large part by Musk’s impulses. He has ordered the reinstatement of controversial users and done favors for friends, according to people familiar with his actions. Often, he has been at odds with other executives. *Please turn to page A9*

INSIDE



JASON GAY
Under Deion Sanders, Colorado is suddenly college football’s most fun team to watch. **A12**



MANSION
Designer Glendon Good built a cliff-top house in the Arizona desert. **M1**

This Is My Job, Not Fodder for Your TikTok

More service staff are being recorded for social-media critics and pranksters

By DALVIN BROWN

Yavi Gonzalez works at the drive-through at a McDonald’s in New Jersey and like many service workers, has a front-row seat to the quirks of humanity. Increasingly, he’s being dragged into the show. Two kids popped out of the

trunk of one drive-through patron’s car to grab their order, milkshakes topped off with Oreos, M&M’s and Stroopwafels, while a young girl in the back seat recorded the whole ordeal—with Gonzalez in the background. Another customer gulped *Please turn to page A9*

Huge ‘Ghost City’ Haunts Troubled Chinese Developer

By FELIZ SOLOMON AND REBECCA FENG

ISKANDAR PUTERI, Malaysia—On the southern tip of peninsular Malaysia, a cluster of high-rises that was meant to house 700,000 people in luxury condominiums overlooks the sea. Nearly a decade after troubled Chinese real-estate giant Country Garden began building the enclave, it is almost completely vacant. Some people are now highly interested in it: Country Garden’s international creditors. The \$100 billion development called Forest City, meant to be the company’s flashy overseas showpiece, has instead become a target of creditors as the developer shows signs of financial distress. Forest City is Country Garden’s most valuable asset outside China. Should the company eventually default, the unfinished megaproject could help its creditors recover an estimated \$1.5 billion, said John Han, a partner at New York-based law firm Kobre & Kim.

The mostly empty Forest City project is a towering reminder of some of the core problems that have taken down China’s once-booming property sector—high borrowing and overbuilding, mixed with a streak of bad luck. Forest City embodies Country Garden’s strategy of churning out megaprojects in places with high potential and low land costs, a model that fueled its growth when China’s property market was booming. “To them, the mentality has been that if they get the land cheap, basically the risk is low,” said Christine Li, head of research for Asia Pacific at Knight Frank, a real-estate consulting firm. “They basically tried to replicate their success in China overseas,” she said. But slowing sales and mounting debts caught up with Country Garden at home and abroad. In early August, the company missed interest payments on two U.S. dollar bonds. It narrowly avoided default by making the payments before a *Please turn to page A8*



U.S. NEWS



CAPITAL ACCOUNT | By Greg Ip

Why Higher Joblessness Is Good News

Very rarely should you celebrate rising unemployment. This is one of those times.

Friday's news that the unemployment rate rose to 3.8% in August, an 18-month high, is one of several recent signs that the labor market has softened significantly. This is a necessary stage in the Federal Reserve's campaign to bring inflation back down to 2%, and keep it there. It isn't enough to ensure we avoid a recession, but it helps.

Why does the labor market matter so much? After all, inflation has already fallen without it weakening.

The answer comes down to the difference between headline and underlying inflation. Headline inflation—the published increase in prices—shot from under 2% in early 2021 to 9.1% in June 2022 because of snarled supply chains; stimulus- and lockdown-fueled goods purchases; and rising oil prices following Russia's invasion of Ukraine. It then fell below 4% this year thanks to falling oil prices and airfares, slowing rent increases and cheaper health insurance.

The question is: Where is underlying inflation (i.e., the rate that prevails once all these influences wash out)? This depends heavily on the balance between total supply and demand, of which the labor market is the best barometer. Simply put, even if inflation falls to 2%, it won't

stay there if the labor market is so tight that wages rise faster than is compatible with inflation of 2%.

To be sure, August's rise in unemployment is just one month's data, and some economists played it down because it reflected a summer surge of people joining the labor force.

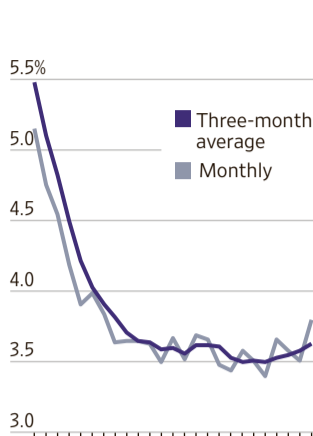
Normally I'm all for such nuance, but this time I think the simplest explanation is the right one. Indeed, the beauty of the unemployment rate is its simplicity: a single number that tells us if the economy is running out of slack (that is, inflation pressure is building), or gaining slack (inflation pressure is dissipating).

Averaged over three months, unemployment has been creeping up since April. This trend corroborates other signs of a loosening labor market, such as the drop in job vacancies in government and private surveys.

It's true that job growth doesn't seem to support the softening story. Payrolls rose 187,000 in August, roughly double what population growth would generate in a steady-state economy.

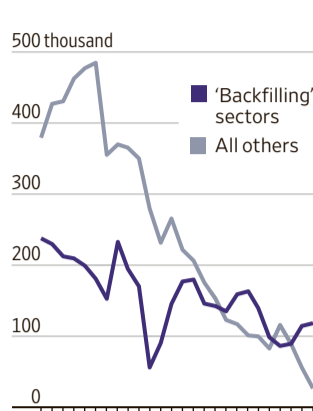
But this data has to be adjusted for the lingering influence of the pandemic. Steven Blitz, chief U.S. economist at TS Lombard, categorizes retail, accommodation and food services and healthcare and social services as "backfilling" sectors: They were

U.S. unemployment rate

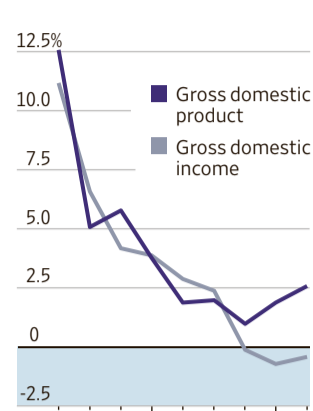


Note: Backfilling sectors include retail, accommodation and food services and healthcare and social services. Unemployment rate and payroll growth are seasonally adjusted. Economic output is inflation-adjusted. Sources: Labor Department (unemployment, payrolls); Commerce Department (economic output)

Monthly growth in private payrolls



Economic output, change from a year earlier



most affected by the original lockdowns and are still hiring to return to normal staffing levels. They account for roughly a third of total employment, but nearly 70% of private hiring in the past three months.

You need to exclude backfilling sectors to get underlying private job gains; just 52,000 in August and averaging 24,000 a month during the past three months, down sharply from 113,000 in May. That "has all the look of a pre-recessionary trend," Blitz writes.

The public has noticed. Since April, the share of consumers saying jobs are hard to get has ticked up while the share saying jobs are plentiful has ticked down, the Conference Board says. The labor market's picture

of increased slack, however, is contradicted by economic output. Gross domestic product grew a robust 2.1% annualized in the second quarter, and rising consumer spending has put it on track to top 3% in the third. These rates are well above the economy's estimated 1.8% long-term potential growth rate and suggest intensifying inflation pressure.

But unlike unemployment, GDP shouldn't be taken at face value. Indeed, it can be measured two ways. Adding up spending by government, consumers, business and foreigners on goods and services produces the familiar measure of GDP. Adding up the wages, benefits, profits, interest and rents earned from producing these goods and services yields the

lesser-known gross domestic income. Adjusted for inflation, GDP has risen 2.5% in the 12 months through June, while GDI has fallen 0.5%, an unusually wide discrepancy.

Half that gap is due to falling Fed profits, which reduces GDI, according to JPMorgan Chase. Still, Nancy Lazar, chief global economist at Piper Sandler, said GDI lines up with many companies that are reporting stagnant sales volumes. Campbell Soup, she wrote, jacked up prices, but sales volumes are declining, and its stock is down this year. When corporate sales volumes decline economywide, "employment also declines, with a lag," she wrote.

One way of handling the

discrepancy is to split the difference. The average of GDP and GDI is up 1% in the past year, consistent with more slack in the economy but not a recession. Moreover, recent downward revisions to payroll employment and incomes suggest growth might be overstated.

So the labor, output and corporate data as a whole show that slack in the economy is returning, a necessary condition of getting inflation down. Whether this remains a soft landing—inflation falling to 2% without a recession—depends on two things.

First, will inflation keep sliding toward 2%? If instead it stalls out between 3% and 4%, the Fed will have to raise interest rates further, eventually inducing a recession.

Though wages aren't directly driving inflation, they're a pretty good indicator of underlying inflation because they represent the collective judgment of millions of workers and employers on prices, productivity and the economy. A composite measure of annual wage growth compiled by Goldman Sachs has slipped to 4.4% now from 4.8% in the spring and 5.8% last fall—not low enough for 2% inflation, but getting there.

Second, every recession starts out looking like a soft landing. August's moderate increase in unemployment was welcome. The risk is that plenty more are in store, which won't be cause for celebration.

U.S. WATCH



FIRST DAY: Kimberly Carchipulla, right, looks toward the New York City school where her son Damien Salinas, 5, above right, starts school this year. The family emigrated from Ecuador in June.



SUPREME COURT Kavanaugh Sees Ethics-Code Path

Justice Brett Kavanaugh said Thursday he was optimistic that the Supreme Court would soon act to address ethics controversies that have dogged the court in recent months, with the aim of bolstering public confidence in the institution.

"We are continuing to work on those issues, and I'm hopeful that there will be some concrete steps taken soon," he told a conference of judges and lawyers in Cleveland.

He didn't detail steps under review, but the court has been weighing adoption of its first ever code of conduct. Lawmakers and legal ethicists have long called for the justices to follow lower federal courts, which already are bound by a code of conduct.

—Jess Bravin

LOS ANGELES Actor Masterson Jailed for Rapes

A judge sentenced "That '70s Show" star Danny Masterson to 30 years to life in prison Thursday for the rapes of two women two decades ago.

Los Angeles Superior Court Judge Charlene F. Olmedo handed down the sentence to the 47-year-old Masterson after hearing statements from the women about the trauma they experienced and the suffering caused by the disturbing memories in the years since.

"When you raped me, you stole from me," said one woman who Masterson was convicted of raping in 2003. "That's what rape is, a theft of the spirit."

Masterson waived his right to speak before he was sentenced.

—Associated Press

MIAMI Guilty Plea Given in Haitian Leader Case

A retired Colombian army colonel pleaded guilty Thursday to helping organize the assassination of Haiti President Jovenel Moise in a breakthrough for the investigations into the slaying that has resulted in a surge of deadly gang violence and chaos.

German Rivera, who used the alias "Colonel Mike," agreed to cooperate with U.S. prosecutors in providing information on the operation that led to Moise's killing in July 2021.

The 45-year-old Rivera pleaded guilty to charges including conspiracy to kill or kidnap a person. Each of the three counts he pleaded guilty to carries a maximum sentence of life in prison.

—Arian Campo-Flores and Kejal Vyas

Blue-Collar Jobs Target Women

Continued from Page One in an interview.

The construction industry is also finding novel solutions to lure female workers. In Washington state, a union and the local chapter of the Sheet Metal and Air Conditioning Contractors' National Association, or Smacna, are rolling out structures called lactation pods to help mothers return to construction sites while they are still breast-feeding.

The pods resemble porta-potties but are made from the same materials used in recreational vehicles. They include air conditioning, heat, outlets to plug in a pumping machine, and a refrigerator to keep the breast milk cold, said Julie Muller, executive vice president of Smacna-Western Washington.

Though women make up about 50% of all U.S. workers, they account for 19% of those in infrastructure jobs responsible for building and maintaining projects in transportation, water, energy and broadband, according to 2021 estimates from Joseph Kane, research fellow at the Brookings Institution.

An increasing number of women began taking jobs in some male-dominated blue-collar industries in recent years, in part because companies broadened recruitment.

About 4% of on-site construction workers were women in 2021, up from 3% in 2010. Women remain especially scarce in specialized construction jobs such as electricians and pipe layers.

If the status quo remains, women will account for about 29% of jobs created by the infrastructure bill, according to an analysis published last year by the National Partnership for Women & Families.

Among women who do enter construction, many leave quickly because of discrimination or isolation, said Ariane Hegewisch, senior research fellow at the Institute for Women's Policy Research. "It's difficult if you are the only one," she said.

Nearly a quarter of tradeswomen polled said they "always or frequently face sexual harassment" on the job, according to a 2021 survey by the IWPR. A report by the U.S. Equal Employment Opportunity Commission released in May said that sexualized conversations, jokes, graffiti and

pornography are rampant in the industry and women who report harassment often see their complaints dismissed by supervisors.

Dominique Drew saw two other tradeswomen at a recent assignment setting glass windows at a condominium complex in New York City. That is an improvement from earlier in her career, when she didn't see any other women on-site.

Drew, 38, said that after two decades of working as a glazier, she still feels the constant need to prove herself to men, whether they are plumbers, electricians or sheet-metal workers. "You get on the job site, and they judge you just because you are a woman," she said. "When they see a female they go, 'Oh, what are you doing here?'"

The East Orange, N.J., resident said she often turns to a strategy she learned in a support group for union tradeswomen: let her work speak for itself. That includes helping lift heavy glass and jumping in to operate machines.

"Once I start working, once I start talking the lingo, they're like, 'Oh...she knows what she's doing,'" Drew said.

Child care is another barrier, given the industry's early-morning hours and the need to move between job sites, administration officials said.

Tiffany Caulfield, of Arlington, Wash., said affordable child-care options that would fit her 5:30 a.m. start time as a

sheet-metal apprentice were limited. That, along with working conditions during pregnancy and the inability to pump breast milk at work, kept her out of the workforce from 2011 until 2015. She appreciated the time with her children but missed out on contributing to her retirement accounts.

She also was conflicted when seeing her co-workers advance in their apprenticeships and careers while she was at home. "It really weighed heavily on me, and I think it added to postpartum depression," she said.

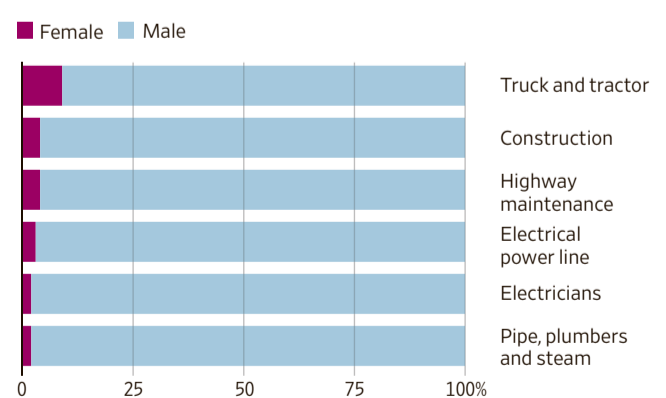
Caulfield, 35, eventually returned to finish her apprenticeship and is now a regional representative for a sheet-metal workers' union in Washington state.

This summer, the Biden administration launched "workforce hubs" in Ohio, Maryland, Pennsylvania, Arizona and Georgia—the latter three key 2024 election battleground states—aimed at diversifying the workforce through the expansion of pre-apprenticeship and Registered Apprenticeship programs and career and technical education.

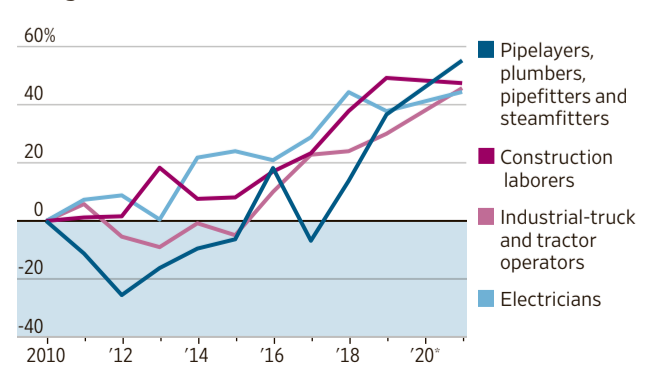
The administration said construction will be a crucial part of each hub, which will be centered on such sectors as manufacturing, clean energy and semiconductors.

"We know that women want to work, and we know that women can do these jobs," acting Labor Secretary Julie Su said.

Infrastructure occupations by gender, 2021



Women working in select infrastructure occupations, change since 2010



*Comparable 2020 data not available. Source: Census Bureau via IPUMS/University of Minnesota

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CORRECTIONS & AMPLIFICATIONS

Carolyn Bolton, who refreshed her wardrobe for an in-person job, spent about \$350 at Brooks Brothers. The On the Clock column in Thursday's Personal Journal incorrectly said \$453.

The name of the Organization of the Petroleum Exporting Countries was misspelled as the Organization of the Petroleum Supporting Countries in the Monday's Markets article in Tuesday's Business & Finance section.

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

Proposed Rule Targets Freight Rail Problems

By TED MANN

WASHINGTON—Railroads that fail to provide reliable service could be ordered to share tracks with competitors under a proposed rule that backers say will increase competition in the business of moving cows, corn, chemicals and other goods across the U.S.

The rule on so-called reciprocal switching, proposed on Thursday by the Surface Transportation Board, is seen as a way to improve efficiency among major freight lines that have struggled to move goods and supplies from farms, factories and ports, especially during the pandemic.

“In my view, it’s likely to lead hopefully to better service, where railroads are going to say, ‘We’d better up our game,’” STB Chairman Martin Oberman, a Democrat, said in an interview.

The board’s goal, he said, is to have the threat of increased competition motivate railroads to boost their on-time performance: “We’d rather you solve it yourself.”

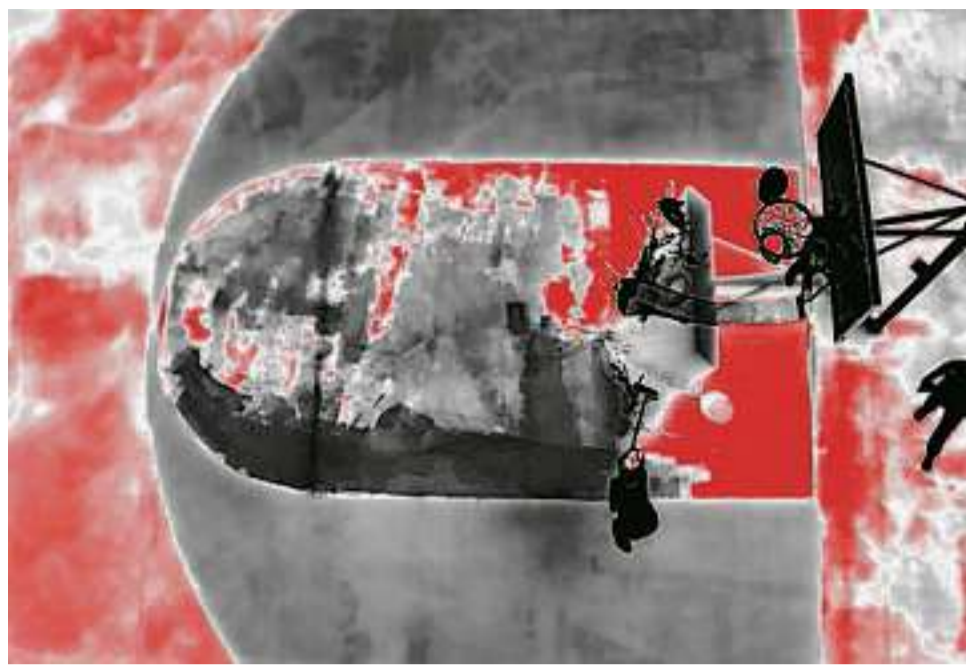
The bipartisan, five-member board voted unanimously in favor of the proposed rule. If adopted, it would require all six of the nation’s Class 1 railroads to maintain uniform data on their on-time performance. When a railroad fails to meet minimum service standards, customers could file complaints and regulators would be empowered to order that it offer competitors the ability to serve the same customers.

A railroad looking to fulfill a farmer’s order, for example, would have to let a competing railroad bid for the farmer’s business—and then let the competitor’s car roll over its tracks to move the shipment.

The move sets up a clash with the railroad industry, which has previously opposed reciprocal switching, arguing that it would undercut the railroads’ business and result in increased congestion.

“Any switching regulation must avoid upending the fundamental economics and operations of an industry critical to the national economy,” Association of American Railroads CEO Ian Jefferies said on Thursday.

Oberman said the freight industry had brought the rule on itself, as years of labor reductions aimed at boosting profits—along with furloughs of workers during the Covid-19 lockdown—led to a collapse in its ability to transport goods as mandated under federal law.



Pacoima in Los Angeles worked with roofing manufacturer GAF to paint a basketball court with a reflective coating to help lower air and surface temperatures.



FROM LEFT: GAF; RYAN YOUNG FOR THE WALL STREET JOURNAL

Reflective Paint Brings Down Temperatures

By ERIC NILER

Cities across the U.S. have found relief from this summer’s record-setting heat with the help of technologies that shield roofs, pavement and other surfaces from the sun’s scorching rays.

Some of these technologies have been around for more than a decade but are experiencing greater demand as global temperatures rise. Washington, D.C., for example, has built more than 3,200 so-called green roofs covering 9 million square feet—up from about 300,000 square feet in 2006, according to federal and city officials.

Other technologies, such as super-reflective coatings for pavement, streets and win-

dows, are just now becoming effective and affordable enough for widespread use.

The Los Angeles neighborhood of Pacoima, densely packed between freeways and an industrial area, has created a partnership with GAF, a New Jersey-based roofing manufacturer, to paint a basketball court, local park and neighborhood streets with a reflective coating.

“There’s a lot of asphalt and lack of investment for tree canopies,” said Melanie Paola Torres, a community organizer with the group Pacoima Beautiful. “Given the fact that we are in an industrial zone, that contributes to the urban heat-island effect.”

The reflective coating has reduced air temperatures in

the test area at 6 feet above ground by 3.5 degrees Fahrenheit during extreme heat days, and surface temperatures by 10 degrees, according to Jeff Terry, GAF’s vice president of corporate social responsibility and sustainability.

Sweltering conditions are worse in urban heat islands, which can be 10 degrees hotter than surrounding suburbs and occur as buildings, roads and other infrastructure absorb and re-emit the sun’s energy.

Cooling technologies mitigate this. Green roofs, which can include plants and soil overlaying a traditional roof, absorb heat before it penetrates the buildings beneath. Super-reflective coatings reflect the sun’s visible light and invisible infrared radiation

away from surfaces to keep them cooler. And an ultrawhite paint developed at Purdue University promises even more protection, although the product isn’t commercially available yet. Each strategy helps reduce energy use.

“The important thing is to help people cool their homes and workplaces affordably,” said Jane Gilbert, chief heat officer for Miami-Dade County, which experienced a record 46 straight days of a 100-degree-plus heat index this summer. “The more efficient we can make both the buildings and the AC systems themselves, the less we’re contributing both to greenhouse gases and also waste heat that goes to our urban heat islands.”

To fight the heat, some cit-

ies are leveraging federal money and other incentives to persuade local builders to turn office buildings greener and cooler. In Miami-Dade, officials used federal funds to outfit 1,700 public housing units with new low-energy air-conditioning units. Local officials also offered a successful amendment to the Florida state building code requiring cool reflective roofs on all new commercial buildings beginning in 2024.

In Pacoima in L.A., Torres says residents tell her the streets and playgrounds feel cooler.

“The No. 1 thing that always comes up is the heat waves when you’re looking down the street,” Torres said. “They don’t see those anymore.”

Manhunt Continues for Escaped Pennsylvania Inmate

By JOSEPH DE AVILA

The manhunt for an escaped Pennsylvania inmate entered its second week as law-enforcement officials continued their search while urging residents to remain vigilant.

Pennsylvania State Police said Danelo Cavalcante, who escaped on Aug. 31 from Chester County Prison, was possibly spotted Thursday just before noon in the vicinity of Longwood Gardens, a botanical garden in the Philadelphia suburb of Kennett Square. Police searched that area and continued their sweep Thursday afternoon.

Hundreds of law-enforcement officials are searching a 10-square-mile perimeter in Chester County, said Lt. Col. George Bivens of the Pennsylvania State Police.

“I have every reason to believe he is still within that perimeter,” Bivens said at a news briefing Thursday. “We



STEVEN W. FALK/THE PHILADELPHIA INQUIRER/ASSOCIATED PRESS

Pennsylvania State police searched the woods in Pennsbury Township this week for inmate Danelo Cavalcante, who escaped Chester County Prison, right, on Aug. 31.



CHESTER COUNTY DISTRICT ATTORNEY/REUTERS

have had no sightings outside of that area. We have maintained as secure of a perimeter as we possibly could. And as recently as today we have another reported sighting.”

Cavalcante, 34 years old, was convicted in August of murdering his former girlfriend in 2021 and sentenced to life in prison. He was await-

ing transfer to a state prison. He also faces homicide charges in his home country of Brazil, police said.

Video footage released by law-enforcement officials Wednesday shows that Cavalcante escaped an exercise yard by stretching his body between two walls to climb to the roof of the prison, which

is located about 40 miles west of Philadelphia. He then moved through razor wire, ran across the roof, scaled another fence and maneuvered through another layer of razor wire, prison officials said.

Another inmate who used the same method in May to reach the roof was apprehended minutes after he was

spotted by a tower officer, prison officials said. After that incident, the prison added razor wire to the roof to deter future escape attempts, they said.

The razor wire, however, didn’t stop Cavalcante, prison officials said. The tower officer also didn’t see him scale to the roof, they said.

That tower officer has been placed on administrative leave as the prison conducts an internal investigation, prison officials said. The Pennsylvania Attorney General’s Office is also conducting a criminal investigation of the escape.

A resident observed Cavalcante in Pennsbury Township, located about 5 miles from Chester County Prison, on Tuesday night, Bivens previously said.

Most schools in the area reopened Thursday. Greenwood Elementary School in Kennett Square, which was within the search area, was closed Thursday.



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U.S. NEWS

Insurrection Clause Fans Debate on Trump

By JACOB GERSHMAN AND MARIAH TIMMS

Since the day Donald Trump supporters rampaged through the Capitol in 2021, legal scholars have pondered whether a post-Civil War clause in the Constitution that disqualifies insurrectionists from public office can prevent him from ever reclaiming the presidency.

As polls show Trump surging under Wednesday's filing suit in Denver demanding that Trump be excluded from Colorado's primary ballot, the first of an expected barrage of challenges, petitions and lawsuits seeking to disqualify the former president across the electoral map.

And in recent days, state officials responsible for running elections in Michigan and New Hampshire say they are examining the 14th Amendment's potential as a barrier to Trump.

Under the spotlight is Section 3 of the 14th Amendment, which disqualifies from public office those who swore to defend the Constitution and then "engaged in insurrection or rebellion" against the U.S. or aided its enemies. Lawmakers drafted the section during Reconstruction to prevent Confederates from seizing back power through the ballot box.

Until Jan. 6, 2021, Section 3 was regarded as a Civil War remnant. After the Capitol riot, it got a fresh look from constitutional scholars, including

some prominent conservative legal academics who have concluded that Section 3 can and should be enforced against Trump.

The argument—fleshed out most fully in a 126-page forthcoming law review article by William Baude of the University of Chicago and Michael Stokes Paulsen of the University of St. Thomas—posits that Trump assembled and whipped up a massive mob with incendiary claims about a stolen election, called for urgent action to stop Congress from certifying Joe Biden's election and failed to intervene to stop the riot.

His conduct, they say, should disqualify him from the race. They say courts or state election officials can make determinations about Trump's eligibility under Section 3 and deny him a path forward without impeachment proceedings, congressional action or criminal convictions.

No state election authority has declared Trump ineligible. New Hampshire's Republican secretary of state has asked the state attorney general to advise him on potential applicability of Section 3. Maine's secretary of state and attorney general also have said they are analyzing the legal requirements for presidential ballot access.

Michigan's secretary of state, Democrat Jocelyn Benson, said in a podcast interview last week there were "valid legal arguments" for keeping Trump off the primary ballot, but that it is "far too soon to really assess the likelihood of that."

Trump, in a Truth Social



Chief Justice Salmon Chase's 1869 opinion set a precedent limiting eligibility challenges.

post on Monday, called the disqualification effort against him a trick to steal the coming election and that "almost all legal scholars" doubt its legal basis.

Trump isn't alone in pushing back. Other legal scholars, including Harvard law professor Noah Feldman and Stanford law professor and former federal appeals-court judge Michael McConnell, say they are dubious about the eligibility case against him.

Far from clear, some legal thinkers say, is whether state election authorities are empowered to enforce Section 3 against a presidential candidate and make constitutional determinations about his eligibility. They point to an 1869 cir-

cuit court opinion by Chief Justice Salmon Chase involving a freed slave who challenged the validity of his felony conviction on the grounds that the judge who found him guilty was a secessionist who should have been disqualified under Section 3.

Chase upheld the conviction and set a precedent that litigants couldn't challenge a candidate's eligibility under Section 3 without legislation from Congress authorizing such lawsuits. No such federal legislation exists today, a potential complication for any litigants trying to eject Trump.

Another unsettled question is whether Section 3 can be applied to a former president. Its text refers to the disqualification of insurrectionists who violated their oaths they swore as "an officer of the United States," and there is some debate about whether that encompasses the presidency.

Then there is the issue of whether Trump actually violated Section 3.

Democratic Sen. Tim Kaine of Virginia said on ABC on Sunday that "there's a powerful argument to be made" that Section 3 bars a second Trump term.

"The language is specific: If you give aid and comfort to those who engage in an insurrection against the Constitution of the United States," he said. Seth Barrett Tillman, a U.S.

constitutional scholar at Maynooth University in Ireland, says that is a misreading of the Section 3 text. It must be shown that Trump engaged in the attack, not just encouraged or aided it, Tillman said. And an enemy, he said, "has to be someone you're at war with."

Others, including Stanford's McConnell, cautioned that invoking Section 3 against the former president would set a precedent that risks opening the door to partisan abuse.

Since 2021, courts and state election boards have heard a number Section 3 eligibility challenges brought against Republican congressional and local candidates related to Jan. 6. The cases were largely unsuccessful.

One exception was a September 2022 ruling by a New Mexico judge ousting Otero County Commissioner Couy Griffin from office. A group of New Mexico residents represented by Citizens for Responsibility and Ethics in Washington alleged that Griffin, who was convicted of misdemeanor trespassing during the attack, helped incite the Jan. 6 mob, a charge he denied. The New Mexico Supreme Court rejected his appeal on technical grounds.

The same group launched the lawsuit against Trump's eligibility in Colorado. Their case, filed on behalf of several Republican and unregistered voters, is asking for a court to declare Trump constitutionally disqualified from public office, and bar Colorado's secretary of state from "taking any action to grant Trump access to the ballot."

Navarro Guilty of Contempt For Defying Subpoena

By SADIE GURMAN AND JAN WOLFE

WASHINGTON—A jury on Thursday quickly convicted former President Donald Trump's trade adviser, Peter Navarro, of contempt of Congress charges for defying a subpoena from the House committee investigating the Jan. 6, 2021, attack on the U.S. Capitol.

Jurors deliberated for about four hours before returning the guilty verdict. Navarro stood with his arms crossed when the jury foreperson read the verdict on the two charges.

Navarro's defense lawyers acknowledged he refused to provide information to the panel seeking information about his efforts to overturn Trump's 2020 election loss, and they called no witnesses to testify on his behalf during the trial that opened Wednesday. But they argued Trump had told Navarro not to cooperate and that his few interactions with committee staffers showed his refusal to comply wasn't willful, as prosecutors were required to prove.

After the jurors issued their verdict and left the courtroom, Navarro's lawyer, Stan Woodward, moved for a mistrial. He said the jurors all exited the courthouse during their lunch break and may have interacted with protesters outside the building. U.S. District Judge Amit Mehta said he would rule on the request at a later time, after reading written briefs and obtaining more evidence about what transpired outside the courthouse.

Navarro, who was a key figure in Trump's White House, earlier vowed to appeal a conviction, casting the case as a battle over executive privilege. But Mehta last month barred him from making that argument before a jury, saying Navarro hadn't shown that the former president sought to block his testimony.

The former White House trade guru was indicted on two misdemeanor contempt of Congress charges last year after the House voted in April 2022—when Democrats had a majority they lost in November—to hold him in contempt for failing to respond to the subpoenas issued by the House committee probing the Jan. 6 attack. Each count carries a prison term of as much as one year and a fine of up to \$100,000. Sentencing was set for January.

Navarro had been of interest to the Jan. 6 committee because he issued reports promoting baseless theories of election fraud and in a book described a strategy of getting then-Vice President Mike Pence to stop the certification of the presidential contest to buy time to investigate the election results in six states. A group of federal state and local officials called the 2020 election the most secure in American history.

Prosecutors argued Navarro needed to show up for an interview before the panel and cite executive privilege on a question-by-question basis.

Instead, they said, Navarro sent a staffer an email citing the privilege broadly and then never showed up.

Trump strategist Steve Bannon, who worked closely with Navarro to discredit the 2020 election, was sentenced in October to four months in prison for similarly defying a subpoena from the Jan. 6 committee, though a judge allowed him to remain free while he appeals his conviction.



Peter Navarro

Musicians Bristle at Campaigns Using Their Songs

By ALYSSA LUKPAT



Presidential candidate Vivek Ramaswamy performed Eminem's 'Lose Yourself' at the Iowa State Fair in August. Eminem later asked the campaign to stop using his songs.

Music can jazz up a political campaign—until the artist wants out.

GOP presidential hopeful Vivek Ramaswamy courted trouble with the rapper Eminem when he performed an offbeat rendition of "Lose Yourself" in Iowa last month. Eminem, through his representatives, sent the campaign a cease-and-desist letter.

Candidates have a long tradition of playing songs at events in an attempt to look cool or to offer hints about their approach or platform. Artists, however, don't always want to be pulled into campaigns—especially when their politics don't align. The result can be embarrassing or even lead to a legal spat.

This summer's hit song "Rich Men North of Richmond," which enthralled many on the right with its lines about selfish politicians, showed up in a question at last month's Republican presidential debate. Afterward, the musician, Oliver Anthony, posted a video saying his song was being weaponized and that the track was about political figures such as the candidates.

Political hopefuls typically get a music license for a catalog of songs they can play at

campaign events. Songwriters and music publishers who own copyrights can remove their tracks from a license agreement. Politicians often, but don't always, listen to those requests.

Ramaswamy won't get another chance on the campaign trail to flex his youthful bona fides with a song by Eminem. The rapper asked Broadcast Music Inc., a performance-rights company representing him, to remove his music from its list of songs approved for Ramaswamy's campaign.

"Vivek just got on the stage and cut loose. To the American people's chagrin, we will have to leave the rapping to the real Slim Shady," said Tricia McLaughlin, a spokeswoman for Ramaswamy, referring to Eminem's nickname.

Former President Donald Trump has received similar letters from music stars including Aerosmith and the Rolling Stones. Trump played Elton John's "Tiny Dancer" at rallies even after the British singer publicly objected.

Barack Obama's 2008 campaign agreed to stop playing a song by the R&B duo Sam & Dave at singer Sam Moore's request. George W. Bush, John McCain and Mike Huckabee also received cease-and-desist letters during their campaigns.

that pay for health coverage, since hospital care is a big source of healthcare spending.

The domino effect was slowed because insurers' contracts with hospital systems usually aren't renegotiated annually. It began hitting some insurance rates this year, and is likely to accelerate in 2024 for many employers.

"Inflation we saw a year ago is finally making its way into the contracts," said Tim Stawicki, the chief healthcare actuary at Willis Towers Watson, or WTW. "It's like a delayed reaction."

A recent survey of more than 450 employers by WTW found they expect health-coverage costs to rise by an average of 6.4% next year, not including the effect of plan design tweaks. That would be the steepest rise in that measure since 2012, WTW projects.

Also contributing to the health-coverage cost increases is rising drug spending, particularly for the popular weight-loss and diabetes drug class that includes Ozempic and its sister Wegovy, as well as competitor Mounjaro.

Many employers don't cover medications for weight loss, and those that do are taking steps to limit access. Yet "the utilization is sky-

rocketing," said Debbie Ashford, chief actuary for health solutions at the North American unit of Aon, a health-benefits consultant and brokerage.

Aon projects employer plan costs will rise by 8.5% next year, the biggest jump in more than a decade.

Many employers will probably hold the line on passing along higher health-coverage costs to employees in order to maintain attractive benefits as they compete for workers amid labor shortages, said Beth Umland, a director of research at Mercer.

Mercer's survey, which included about 1,700 employers when preliminary results were analyzed, suggested health-care costs will increase 6.6% in 2024 without factoring in plan design changes such as increasing workers' out-of-pocket charges.

Including those changes, Mercer projected a change of 5.4%, which was the same as its 2023 estimate but came after years of mostly smaller increases.

In the individual insurance market, where consumers buy ACA plans, increases for 2024 are also expected to be similar to 2023, but steeper than prior years, according to KFF's analysis of insurer filings.

Employers' Health-Plan Costs Swell

Continued from Page One

care they needed.

"Large employers cannot continue to be the piggy bank for a broken system that is unwilling to meet the needs of its customers," said Elizabeth Mitchell, chief executive of the Purchaser Business Group on Health.

For people who have individual insurance plans sold under the Affordable Care Act, premiums are also expected to rise by about 6% next year, according to public insurance filings analyzed by health-research nonprofit KFF, though that increase is comparable to this year's.

Among the factors leading to the faster health-insurance cost growth are hospitals' higher labor costs and heavy demand for new and expensive diabetes and obesity drugs.

The employer-plan increases are expected to strike businesses of all sizes, and regardless of whether they

rely on an insurer to handle their health coverage or are self-insured.

Many workers will learn about their workplace coverage options for 2024 in the next few months, during the annual fall open-enrollment period. They will likely end up paying more out of their paychecks for it as the overall expense goes up and some employers lift out-of-pocket costs to help offset the increases.

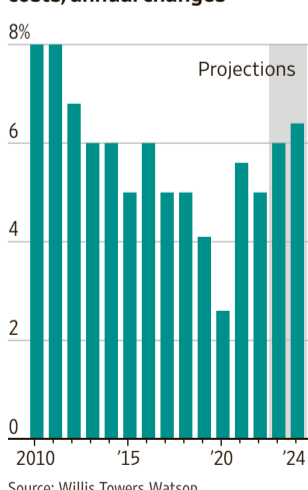
Yet many employers are expected to take on the lion's share of the increase, partly due to a labor market that remains tight in many sectors, benefits consultants said.

Retail-display maker Bench Dogs was hit with a 24% health-coverage increase when its plan renewed on July 1, but it didn't boost the share of the insurance cost paid by employees—currently set at 20% for a single worker, and half for one covering a family—or expand deductibles.

Rich Broadbent, president and owner of the Denver, Pa., company, said he didn't want to increase the burden on its approximately 75 employees.

The company has raised its own prices to cover mounting costs including healthcare, he said, but if it isn't able to do so in the future, he might be

Employer health-insurance costs, annual changes



forced to increase workers' out-of-pocket costs for care. "It's a very difficult situation," Broadbent said.

For several years, health-coverage costs nationally increased relatively slowly, partly because the pandemic chilled doctor and hospital visits. Yet hospitals have had to raise wages for nurses and pay more for other expenses.

To cover their own rising costs, hospital systems have been winning price increases from insurers. Benefits managers expected that would eventually raise costs for employers



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U.S. NEWS

Biden Chooses Whitaker to Lead FAA

By ANDREW TANGEL

President Biden will nominate Mike Whitaker to lead the Federal Aviation Administration, the White House said, the administration's latest attempt to install permanent leadership at the air-safety regulator.

Whitaker, who served as FAA deputy administrator during the Obama administration, would need confirmation by the U.S. Senate, where Republican opposition upended Biden's earlier nomination of Denver airport chief Phil Washington as the agency's administrator.

Whitaker declined to comment.

The Wall Street Journal reported in July that the Biden administration was expected

to nominate him.

If confirmed, Whitaker would be the agency's first permanent leader since Steve Dickson, a Trump appointee who stepped down in early 2022.

The FAA has been navigating various challenges, including a shortage of air-traffic controllers, weather-driven disruptions, a record-breaking summer travel season and a series of near-collisions at U.S. airports. The agency is working to upgrade technology systems after a January breakdown prompted the first nationwide flight halt since the Sept. 11, 2001, terrorist attacks.

During Whitaker's time as deputy administrator at the regulator from 2013 to 2016, he focused in part on upgrad-

ing the nation's air-traffic control system.

Whitaker currently is chief operating officer at Supernal, a Hyundai Motor subsidiary that is among a number of companies developing flying taxis. The vehicles are envisioned as a new mode of transportation around cities and airports, and regulators at the FAA and its international counterparts are working on certifying the vehicles for passenger service.

Sen. Maria Cantwell (D., Wash.), who chairs the Senate Commerce Committee, said Whitaker would use his substantial aviation experience and knowledge to meet the FAA's challenges, and that she looked forward to "his strong leadership at the agency."

Sen. Ted Cruz, the Texas

Republican who is the committee's ranking member, said lawmakers "must carefully evaluate Mike Whitaker's qualifications, experience, and temperament to determine whether he is the right person to lead the agency at this critical juncture." Cruz had opposed Biden's previous FAA nominee.

Unions representing large aviation-employee groups had previously expressed reservations about Whitaker, according to industry and current and former government officials. On Thursday, though, they called for him to be swiftly confirmed.

The Biden administration helped assuage one of the labor groups' concerns about its aviation policies late last month when the FAA said it

would consider changing regulations for some charter operators. That move could address what unions have argued is a regulatory loophole—claims that charter operators dispute.

Michael Huerta, who was FAA administrator when Whitaker served as deputy, said in an interview that Whitaker would be a terrific pick at a critical time for the agency, given his collaborative approach and deep understanding of the industry.

During much of the Biden administration, the FAA had been led by Billy Nolen, who was appointed as the agency's top safety official before being named acting administrator in 2022 after Dickson's departure.

Whitaker is a private pilot who has worked at airline



Mike Whitaker served as FAA deputy administrator in the Obama administration.

companies, including 15 years at United Airlines, according to the White House.

—Alison Sider
contributed to this article.

Veterans Nursing Homes Faulted on Care

By CHRISTOPHER WEAVER

New Jersey's state-run nursing homes for veterans violated residents' constitutional rights by failing to provide them with reasonable care and safety in response to the pandemic, a Justice Department investigation found.

The nursing homes understated Covid deaths, failed to implement competent infection-control practices and ultimately suffered among the highest death rates in the region during the pandemic's early days, according to a Justice Department report released to the public Thursday.

One of the facilities targeted in the probe, the Menlo Park Veterans Memorial Home, in Edison, N.J., was the subject of a Wall Street Journal investigation in October 2020. The Journal found managers hid the number of Covid victims, at times threatened to discipline employees for wearing masks and ignored basic infection-control principles.

Days after the Journal's arti-



The Justice Department in a report said it found deficiencies in care at New Jersey's Menlo Park Veterans Memorial Home.

cle was published, New Jersey Gov. Phil Murphy replaced the veterans' facilities' leadership, and soon after, officials in the Justice Department's civil rights division began their probe.

However, the replacement New Jersey veterans officials didn't fix underlying problems, the report said.

The state veterans' agency "didn't charge its new leadership with examining what went wrong in 2020 or how the Vet-

erans Homes should learn from those failures to prevent future crises," the report says. As a result, the Justice Department found, the facilities continued to struggle in subsequent waves of Covid, continuing to violate residents' rights by not providing safe care.

On Thursday, Murphy said: "Over the past three years, our Administration has instituted numerous processes and procedures to improve conditions."

However, "we have significantly more work to do."

In one example of the Menlo Park facility's failures, the Justice Department said the roommate of a U.S. Marine Corps veteran tested positive for Covid at a hospital and died in April 2020. Menlo officials didn't monitor the veteran Marine for Covid, even though he grew ill around the same time.

Instead of testing the Marine, officials there took away his motorized scooter, shut him in his room and left his cellphone charger out of his reach. He noted in his chart that he suffered from "confusion," and started him on antibiotics for alleged pneumonia. When he died less than two weeks later, his death certificate listed "respiratory distress" and made no mention of Covid. An official told his family he didn't have Covid, the report says.

"The report is complete confirmation of what my clients have been saying for the last several years," said Paul da Costa, a lawyer who represented families of 135 of the residents.

California Legislature Passes Firearms Tax

By CHRISTINE MAI-DUC AND ZUSHA ELINSON

California lawmakers passed a first-in-the-nation excise tax on firearms and ammunition, the latest in a series of strict gun laws to advance in the Democratic-controlled legislature.

If Gov. Gavin Newsom signs the bill, California would impose an 11% excise tax on all guns and ammunition sales. The proceeds would be spent on gun violence prevention and school safety programs.

The federal government has long imposed an excise tax of 10% on the wholesale price of handguns and 11% on long guns and ammunition.

The California bill received final passage in both the state senate and assembly Thursday. All Republicans in both chambers opposed it or did not vote in preliminary tallies.

It now heads to the desk of Newsom, who has not taken a public position on the bill. A

spokesman for the Democrat declined to comment.

"It's shameful that gun manufacturers are reaping record profits at the same time that gun violence has become the leading cause of death for kids in the United States," Jesse Gabriel, a Democratic assembly member who wrote the bill, said before the vote.

Gun-rights groups were lobbying to quash the bill, which they say will make it harder for people to legally buy guns and price hunters and youth sports shooters out of their hobbies.

"You can't tax a constitutional right," said Chuck Michel, president of the California Rifle & Pistol Association, a firearms advocacy group. "This is part of the strategy to price people out of the market."

Because it is a tax increase, the bill required approval from two-thirds of legislators in each chamber. Democrats hold supermajorities in the state assembly and senate.

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Photo: WFP/Vincent Tremeau/2023/DRC



A Walmart employee in Miami. The company changed its wage structure for hourly workers.

Walmart Starting Wages Cut

Continued from Page One

Walmart said the change allows workers to move between work groups such as food, registers, stocking or digital fulfillment without pay impacts, according to documents given to some store workers.

"This will allow for better staffing throughout the store," said one of the documents. More than 50,000 workers received raises because their pay was below the new minimums, the company said in the documents.

A Walmart spokeswoman on Thursday confirmed the pay-structure change, adding that it could enable workers to learn new skills to move up in the company.

In January Walmart said it would raise its minimum hourly wage to \$14, up from \$12, to compete for workers at the same time that several rivals, including Amazon and Target, started at \$15.

The company also shelled out pay increases and bonuses for roles such as truck drivers, areas where there has been a demand for more workers. Companies have also added perks for workers as a competitive advantage, such as sub-

dized college courses, fertility benefits and training programs.

Retailers are looking at ways to reduce costs in anticipation of some consumer weakness heading into the end of the year, including the holiday shopping season, said David Bassuk, global leader of the retail practice at consulting firm AlixPartners. In general, retailers face more sales and therefore higher labor costs through the late-year holidays.

"This is one example of many where retailers are doing everything they can to try to head off increasing costs," Bassuk said.

Walmart's moves "signal the industry where things are either headed or what they should be considering," he said. "I think we are starting to see the pendulum start to swing back to a different set of priorities."

The broader U.S. job market is cooling. Hiring slowed this summer and the national unemployment rate rose in August to 3.8%, up from 3.5% in July—reflecting more people seeking work. Workers' average hourly earnings rose 4.3% in August from a year earlier, well above the prepandemic pace.

Starting pay for salaried workers is falling after wages, especially for people who changed jobs, climbed in recent years. Businesses have become more cautious in their hiring and companies are paying new recruits less than they did earlier this year.

In Denver, where retail company Appliance Factory & Mattress Kingdom is based, the company has recently been hiring administrative workers for about \$18 an hour. A year ago, the company was paying \$20 an hour, Chief Executive Chuck Ewing said last month.

"There are more people looking for work now," he said. "It's not as competitive."

Walmart employs about 1.6 million U.S. workers, most of whom work in stores and warehouses. The new wage structure doesn't reduce wages for current employees, but allows stores to hire new folks at a lower rate, trimming some labor costs. As wages increase, the retailer has also pursued other initiatives to reduce labor costs in recent years, including expanding the use of self-checkout in stores and automating or partially automating its warehouses.

For example, some Walmart store workers in the Northeast, a region that typically has wages higher than the national average, started working as on-line order collectors in stores at about \$16 an hour earlier this year. Now those new workers, along with many other new employees, start at \$15 an hour under the new structure.

Walmart's move isn't likely to lower short-term payroll costs because it is being offset by pay increases to thousands of other store staffers, some analysts said Thursday.

—Te-Ping Chen
contributed to this article.

WORLD NEWS

Chinese Exports Fall for a Fourth Month

Decline, alongside an import drop, reflects struggle to revive domestic demand

By Stella Yifan Xie

HONG KONG—China's exports dropped for a fourth straight month in August, bringing little relief to the country from a deepening economic malaise and weighing on the global trade outlook.

China has struggled to sustain a wave of overseas demand for Chinese-made goods that carried it through much of the three years of the pandemic, particularly as Western consumers tilted their spending back toward services and away from smartphones, furniture and other goods. Higher borrowing rates in the U.S. and other developed countries also hit consumer appetite.

Meanwhile, Chinese imports continued to shrink in August, a reflection of lackluster consumer demand even after the country loosened its long-standing Covid-related restrictions. A downturn in China's property market has also sapped demand for raw materials used in construction.



China's outbound shipments declined 8.8% in August from a year earlier, officials said.

Taken together, the sluggish trade data Beijing released on Thursday provides new evidence that the world's second-largest economy is struggling to revive domestic demand.

That would ripple through the global economy as China's slowdown weighs on oil prices and hurts commodity-exporting countries such as Australia, Brazil and Canada. Chinese manufacturers have been under pressure to cut prices to retain market share, potentially sending disinflationary currents around the world.

While Chinese policy makers have trimmed key interest rates and made new attempts to revive home-buying sentiment, economists have widely dismissed these efforts as too piecemeal to revive growth given the speed with which sentiment has soured.

"There's still a steep hill to climb to get the all-clear on stabilization for China," said Frederic Neumann, chief Asia economist at HSBC.

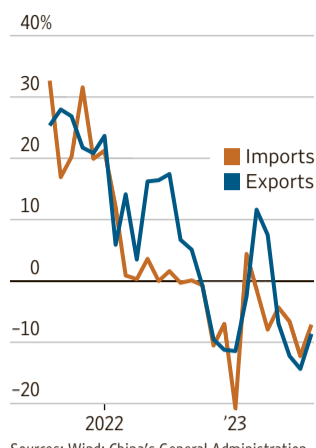
China's outbound shipments declined 8.8% in August from a year earlier, China's

General Administration of Customs said on Thursday. The reading narrowed from the 14.5% year-over-year drop in exports in July, which marked the worst such result since February 2020.

Imports to China, including intermediate components, commodities and consumer products, fell 7.3% in August from a year earlier, slower than July's 12.4% drop.

Even with the better-than-expected trade data, economists generally agree that exports' ability to provide support for

China's imports and exports, change from a year earlier



Sources: Wind; China's General Administration of Customs

China's sputtering recovery remains a distant prospect, particularly given that global trade is expected to contract this year.

"We expect exports to decline over the coming months before bottoming out toward the end of the year," research firm Capital Economics told clients in a note on Thursday.

Apart from the general slowdown in trade, China is facing a raft of other economic headwinds. After a brief spurt of spending in traveling and dining out upon reopening early this year, consumers

tightened their purse strings, dragging consumer prices into deflationary territory in July. China is set to report August inflation data on Saturday.

Factory activity, meanwhile, reported a fifth straight month of contraction in August, while a yearslong downturn in the housing market has only deepened in recent months. Private investment remains depressed, while the youth jobless rate climbed to records in the summer before Beijing decided to discontinue releasing the data.

More broadly, the run of downbeat data during the summer months has sparked growing concerns over China's long-term growth trajectory and prompted several investment banks to trim their growth forecasts for gross domestic product to below 5% for the year, compared with the official government target of around 5%, which was set in March.

Meeting with Southeast Asian leaders this week, Chinese Premier Li Qiang struck back against widespread pessimism about the country's near-term economic outlook, saying the country is on track to hit its growth target for the year.

◆ Weak economic data pressure China's yuan... B11

Germany's Economic Rut Gets Deeper, With Contraction Forecast

By Paul Hannon

Germany's embattled economy, once Europe's main engine of growth, looks set for a fresh contraction as its all-important manufacturing sector continues to weaken.

After stagnating since the end of last year, Germany's output is likely to contract this quarter as its factories face higher energy costs, a less-welcoming global marketplace and intense competition from China in key sectors, recent data show.

The country was hit hard by Russia's invasion of

Ukraine, which caused a surge in energy and food prices. Its reliance on exports to drive growth has left it vulnerable to a global slowdown in demand for goods as cash-strapped households give priority to spending on the services they were denied access to during the years of Covid-19 restrictions.

Germany's economy has grown in only one of the past five quarters, and was 0.3% smaller in the three months through June than it was in the first quarter of 2022, when Russia attacked its neighbor. The other large eu-

rope economies have fared much better, with France recording growth of 1.4%, Italy growth of 1.7% and Spain growth of 4.6% over the same period. In the U.S., economic output was up 2.4%.

Figures Germany's statistics agency released on Thursday showed industrial production fell by 0.8% in July from June, and was 4% down from February 2022, the month of Russia's invasion.

The German economy should contract by 0.3% in the current quarter, and by 0.5% in 2023 as a whole, the Kiel Institute for the World Econ-

omy said on Wednesday, cutting its previous estimate.

The war alone isn't to blame. While higher costs since Russia's full-scale invasion have lowered output from energy-intensive industries such as chemicals, German manufacturing has been in a downturn since 2018, coinciding with the start of a global backlash against open international trade.

Meanwhile, the surge in inflation, now in its third year, has weakened the spending power of German households, which are buying fewer goods.

According to the statistics

agency, sales in stores and their online equivalents fell in July and were 4% lower in the first seven months of this year than in the same period of 2022. In particular, households have been cutting back on food consumption as prices soar, buying 5.3% less than in the first seven months of 2022.

Hobbled by falling demand at home, German manufacturers are also under pressure in overseas markets. In July, the country's businesses sold goods valued at 130.4 billion euros—equivalent to \$139.86 billion, to the rest of the world, a decline from June

and a 1% drop from a year earlier.

The surprising resilience of the U.S. economy despite rising interest rates has helped, with exports to the world's largest economy rising by 5.2% from the previous month. Sales to Chinese buyers were up a more modest 1.2%. Exports to the U.K., which have stagnated since the start of the war, were down 3.5%.

German manufacturers also face stiffer competition from their Chinese counterparts in industries where they were previously dominant, including in Germany's flagship auto sector.

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WORLD NEWS

Chinese Propagandists Said to Use Gab

Pro-China accounts have burrowed into niche site known for tolerating hate talk

By DUSTIN VOLZ
AND SARAH E. NEEDLEMAN

An online Chinese influence operation has sought to plant pro-Beijing propaganda on a niche U.S. social-media site popular with far-right activists, according to cybersecurity researchers, showing the Chinese government's disinformation efforts are evolving and more extensive than previously known.

Gab.com, which is known for its loose rules about hate

speech, hosted 114 user accounts affiliated with a covert Chinese campaign known as Spamouflage, according to a new report from Alethea, a firm focused on detecting social-media manipulation. Gab's users include far-right media host Alex Jones and conservative media provocateur Milo Yiannopoulos.

The findings, viewed by The Wall Street Journal, shed light on the Chinese government's efforts to inject pro-China propaganda and disinformation into U.S.-owned social-media platforms, a trend cybersecurity analysts have said has expanded greatly in the past few years.

The activity on Gab—which resembled activity disclosed

last month on major social-media sites—might also be intended as a shift to platforms with relatively minimal content moderation as well as an attempt to appeal to American right-wing audiences, researchers said.

The campaign generated posts in English and Mandarin that focused on topics such as Chinese dissidents, rare-earth metals mining and perceived adversaries of the Chinese government, including the U.S., the report said.

"The hostility of the United States to China is becoming more and more obvious, as can be seen from the reports of their various social platforms and state-owned media," reads one Gab post

flagged in the report.

Alethea founder Lisa Kaplan said the activity on Gab is one of a few examples of a network of inauthentic accounts linked to the Chinese government operating on a niche social-media service with loose rules around speech and a right-leaning user base.

Another research firm called Graphika said last year that activity likely linked to the same group targeted Gettr, also a small, right-leaning social network. Gettr didn't respond to a request for comment.

"Expansion onto more niche platforms that appeal to individuals based on principles or ideology offers poten-

tial for more directed messaging and targeting," said Shawn Eib, head of investigations at Alethea.

He added that the lack of robust trust and safety teams at smaller platforms could attract activity from state-backed information operations like Spamouflage.

The Chinese Embassy in Washington didn't respond to a request for comment regarding the Alethea report. Last week, the embassy said it opposes the production and spread of false information and that U.S. social media was "awash with disinformation about China."

In the Gab accounts, the Alethea researchers found several clues pointing to the

Spamouflage operation: similar hashtags, long strings of identical text and indications that the accounts had been created in batches. The oldest account spotted on Gab linked to the Chinese influence operation was created in November 2020, and more recent batches of accounts were formed in late 2022, Alethea said. The most recent individual account was created in July 2023.

Gab Chief Executive Andrew Torba said his company works diligently to stop attacks from foreign governments and others.

"We expect to be a target for many threat actors across the political spectrum," he said.



The Forest City project on the southern tip of peninsular Malaysia is just 15% complete, with only one of four planned islands on reclaimed land built.

Ghost Town Haunts Developer

Continued from Page One

30-day grace period ended this week, but the close call raised concerns that China's last surviving property juggernaut might suffer the same fate as dozens of developers that defaulted over the past two years. Hong Kong-listed shares in the company have shed more than half their value since the beginning of the year.

If Country Garden defaults on its international debts, its creditors would likely want to take control of assets outside China, Han said. It is often difficult for international creditors to get hold of assets and company subsidiaries that are incorporated in mainland China because of features of the Chinese legal system, he said.

Once a major driver of growth for China's economy, the property sector boomed for decades as developers borrowed heavily and built big. Then Beijing tightened credit on developers to curb speculative behavior. In late 2021, China Evergrande Group, previously one of the country's largest developers, defaulted

on its international debt. Last year, another top builder, Sunac China, followed. Some buyers boycotted mortgage payments as construction ground to a halt. Economic troubles during the Covid-19 pandemic exacerbated the slowdown.

This year began with optimism as sales picked up, but the sector has since slid into another slump. Country Garden's financial stress threatens to turn off even more investors.

Forest City is a window into the confidence Country Garden once had. Until recently, the company was considered one of China's more prudent and stable developers. The area where it was built, in the southern Malaysian state of Johor, was previously an undeveloped jungle. The company planned to build four islands on reclaimed land, promising a cheaper alternative to the commercial hub just a 20-minute drive away.

Country Garden owns a 60% stake in Forest City through the local joint venture Country Garden Pacificview, with the rest held by an entity called Esplanade Danga 88, a private Malaysian company owned by a Johor government agency and the state's Sultan Ibrahim Iskandar. They broke ground in 2015, quickly building dozens of towers and a nearby golf resort.

"It was a very promising project at the time, everything

was very rosy back then," said Li, of Knight Frank.

Forest City has since been referred to as a "ghost city," like the megadevelopments across China that were built on big dreams but never completed. Country Garden Pacificview rejects the moniker and has said more than 80% of residential units have been sold. Most of them, however, appear to have been bought as investments and no one lives in them—hundreds of the units are listed for resale

and rent on local property websites. Transaction history on these websites shows their value has plummeted in recent years; one-bedroom condos that once sold for \$280 a square foot now go for about \$116.

The project is currently 15% complete, with only one of its four islands built. "The company is still optimistic about developing artificial islands with real estate as a core business," the company said, adding that developers are still committed to their approved master plan spanning over 7,000 acres. It said it couldn't comment on Country Garden's broader financial outlook.

The project's centerpiece is

a 45-story mixed-use tower meant to house offices, serviced apartments and a shopping mall. Business has yet to pick up at a nearby promenade called "Commercial Street," which is still mostly vacant except for a few duty-free shops, a Japanese restaurant and a karaoke bar. A beach overlooking Singapore is just a few steps away—it is also devoid of people.

Sales were initially strong among Forest City's target customers—

wealthy Chinese who wanted a second home or an investment property—until Beijing imposed capital controls in 2016 that limited overseas payments. A new government in Malaysia in 2018, critical of the project's emphasis on Chinese buyers, brought more problems as Chinese investors feared restrictions on ownership and long-term visas. Then in 2020, the Covid-19 pandemic hammered the housing market.

Country Garden ended up with 26,000 units and only about 9,000 people living in them. The blank white walls of thousands of empty apartments are visible from Forest City's near-deserted streets. Except for a few restaurants

and convenience shops, retail space on the ground floor of each tower is empty.

For now, visitors to Forest City's water park and carefully manicured gardens are mostly idle restaurant staff and a few Malaysian families who take day trips to use the swimming pool and take selfies by the beach. Recently, Forest City has attracted an increasing number of tourists from neighboring Indonesia, and some buyers from South Korea who seek out its golf facilities.

Mitran Vee, a 35-year-old Malaysian national, said he was the only person living on the entire floor of his building when he moved in 2½ years ago. Now one other unit on his floor is occupied. "People are starting to come, slowly, but they'll come," he said.

The developer and the Malaysian government still have high hopes for Forest City. Prime Minister Anwar Ibrahim said in August that the development will be designated as a special financial zone where taxes are low and multiple-entry visas are easy to obtain.

Some of Forest City's few residents relish the emptiness. "It's peaceful here. There's no noise," said Vivian Chun, a 41-year-old Chinese national from Nanjing who moved here this year with her 8-year-old son.

"Having no people is better than having a lot of people," she said.

Canada Picks Judge For Probe Of Election Interference

By PAUL VIEIRA

OTTAWA—Canada on Thursday appointed a judge to lead a probe into alleged foreign interference into the country's politics, months after security officials told politicians that they believe China's Communist Party paid agents to thwart rivals to Prime Minister Justin Trudeau in the 2021 general election.

Allegations that China tried to influence Canadian elections have posed one of the biggest challenges to Trudeau during his eight years in office. He has faced sharp criticism after trying to play down concerns that the 2021 election results were affected by Chinese activity, and further anger after he initially rejected calls from opposition parties and former officials to investigate what might have transpired during the 2021 vote.

The Trudeau administration shifted gears in June and said it was amenable to establishing the commission. This turnaround came after officials at the country's spy agency informed the former leader of Canada's Conservative Party, Erin O'Toole, that China's Communist Party gave money to agents in Canada to campaign against him and the Conservative Party in the 2021 vote, in which Trudeau and the Liberals were re-elected.

O'Toole told The Wall Street Journal in June that he was also informed that proxies used the Beijing-run instant-messaging service WeChat to spread disinformation about what the Conservatives were promising if elected.

Canada's public-safety minister, Dominic LeBlanc, said the investigation, led by Justice Marie-Josée Hogue of the Court of Appeal of Quebec, would investigate alleged attempts by China, Russia and others to influence elections in 2019 and 2021. The inquiry would also focus on how intelligence was shared to senior officials.

Late Thursday, the Chinese Embassy in Ottawa said China "has no interest in and has never interfered in Canada's internal affairs and elections."

Russia's ambassador to Canada, Oleg Stepanov, said Moscow hasn't interfered in Canadian elections or the country's domestic affairs.

Global Rivalries Raise Tensions for Leaders at G-20 Summit

By CATHERINE LUCEY
AND SABRINA SIDDIQUI

Deepening global rivalries will overshadow this week's gathering of the world's largest economies in India, as the leaders of China and Russia stay home and the U.S. seeks to strengthen ties to India as a counter to Beijing.

President Biden was set to arrive Friday for the summit of the Group of 20, made up of 19 nations and the European Union. Indian and U.S. officials say they will focus on climate change and economic issues, with Biden aides vow-

ing to press for changes to international financial institutions to better serve developing countries.

With international tensions likely to make a joint declaration even harder to bring about than last year, Indian Prime Minister Narendra Modi called for unity.

White House national security adviser Jake Sullivan said aboard Air Force One on Thursday evening that the summit will "be an important milestone moment for global cooperation at a critical time." He added that Biden looks forward to welcoming the African Union as a permanent member,

a step India has advocated.

Hosting the G-20 offers India a chance to elevate its global stature and assert its role as a key voice for emerging economies, as clashes over dominance in the global South intensify.

The Brics bloc, a group of emerging economies—China, Brazil, Russia, India and South Africa—that sees itself as a counterweight to the West, agreed at an August meeting to expand. China and Russia used the gathering to complain about Western leaders. India is wary of the forum's becoming an anti-U.S. platform under the sway

of China.

While Russian President Vladimir Putin and Chinese leader Xi Jinping won't attend the summit, their influence will be felt. Biden is trying to manage the rocky China relationship as he continues to press for unity against Russia in the Ukraine war. Moscow has grown closer to Beijing, and tensions between India and China have been rising.

Divisions among G-20 members have raised doubts about whether they can adopt a joint statement, including a position on the Ukraine war. Sullivan said Biden will call for

a "just and durable peace."

Russia has said it won't sign off on a statement that doesn't reflect its position. Russian Foreign Minister Sergei Lavrov will lead the country's delegation, while Premier Li Qiang will represent China.

As part of his effort to counter China's rising influence, Biden has sought to bolster ties with India, welcoming Modi for a state visit in June. The Biden administration also largely has refrained from publicly criticizing what rights groups say is growing intolerance toward the country's religious minorities, and

a crackdown on dissent under India's Hindu nationalist government.

The White House declined to say if Biden would raise such concerns directly with Modi when the two leaders sit down Friday for a bilateral meeting ahead of the summit.

Sullivan said Biden hoped to make "meaningful progress" on a number of issues in his sit-down with Modi, including on a deal to manufacture General Electric jet-fighter engines in India.

—Tripti Lahiri,
Rajesh Roy and Shan Li
contributed to this article.

FROM PAGE ONE

Musk Transforms Twitter

Continued from Page One

When he felt his own posts weren't being seen widely enough, he marshaled dozens of company engineers to make his postings some of the platform's most visible, according to people involved in that effort.

At one point, he said a program designed to flag abusive posts would no longer be extended to the accounts of employees, resulting in a harassment campaign that drove one former executive out of his home, some of the people said.

X has said Yaccarino and Musk jointly oversee decisions for the company's trust and safety department, which handles what kinds of posts should or shouldn't be online. Current and former employees said Musk often calls the shots himself.

Musk and his lawyer didn't respond to requests for comment, and X declined to make Musk or Yaccarino available for interviews. A lawyer representing West declined to comment.

Current employees said little has changed in Musk's approach since Yaccarino arrived from NBCUniversal in June. One of her missions is to regain the trust of many advertisers who fled, in part because of concerns about Musk's changes to content rules.

Some supporters of Musk say he is correcting content policies that were too restrictive under previous management. Others applaud him for being willing to move more quickly than Twitter executives had in the past, and to operate with fewer employees.

Former Twitter software engineer Peter Clowes said he had hoped Musk could bring new energy to the company, which he felt was sometimes too slow.

Clowes said he left the company after becoming disillusioned with what he described as Musk's lack of vision. "It's very subjective," he said of Musk's approach to the platform. "It's just, like, what Musk feels like at the time."

Esther Crawford, one of Musk's lieutenants before being laid off in February, said he relied too much on his gut for most decisions. "He didn't seem compelled to seek out or rely on a lot of data or expertise to inform it," she said in a posting on the site in July, her first public comments since departing.

Musk turned over the CEO role to Yaccarino in June, becoming the platform's chief technology officer. Managers still seek his approval for major decisions about engineering and what content appears on the platform, according to people familiar with the process.

Yaccarino has pushed Musk to agree to some changes, including replacing the poop emoji that he had started using as a response to journalists with a new message: "We'll get back to you soon."

Under co-founder and former CEO Jack Dorsey, one of Twitter's goals was to make sure one person didn't become its sole arbiter of what was allowed. Its trust and safety team, comprising hundreds of employees around the world, was in charge of creating and enforcing rules. Multiple peo-



Musk brought in Linda Yaccarino, right, to serve as the company's CEO. One of her missions is to regain advertisers' trust.

ple signed off on all major moves regarding content.

Decisions often were made more slowly than employees and users wanted. Its executives sometimes concluded that decisions Twitter had made about content had been mistakes. Former Twitter executives said the platform had erred in temporarily limiting the reach of articles about Hunter Biden before the 2020 presidential election.

"Old Twitter would measure twice, cut once...more than they had to," said Erik Berlin, a Twitter engineering manager who was laid off along with thousands of others a week after Musk took over. Musk's attitude, he said, is to not bother measuring first, but to "just make cuts."

Musk's orders often arrived by email, at all hours. One morning, weeks into his ownership, many employees woke up to an overnight email demanding they commit to "long hours at high intensity," or take severance.

He made so many decisions that employees wrote down some rulings and had him sign them, fearing he would forget what he said, according to people familiar with his actions. When told a change would take weeks, Musk sometimes asked for a quick version employees could make if they worked overnight.

In December, Musk decided that employees would no longer be covered by Project Guardian, a program that flagged abusive tweets about important users, including celebrities and politicians, so that the company could remove them quickly. Musk explained to colleagues that anyone who took a job at Twitter should know there is a risk of online harassment, according to people familiar with the conversation.

Many pushed back. Staffers regularly faced threatening posts from users upset by Twitter's actions, and some blamed Musk for contributing to the problem.

That same month, Musk made reference in a post to the Ph.D. thesis of Twitter's former head of trust and safety, Yoel Roth, who had recently left. Musk tweeted, incorrectly, that it looked like Roth had argued "in favor of children being able to access

adult Internet services." Some of the platform's users interpreted it as Musk calling Roth a pedophile, and they posted calls for Roth's death.

People close to Roth reported the threats to Twitter, but the company left many of them online in part because of the change to Project Guardian, according to some of the people. Roth, who said he was no stranger to online abuse, fled his Bay Area home.

"I was shocked by the depth of the harassment against me and other employees, by Twitter's inaction to enforce its own rules, and by the CEO of the company fanning those flames," he said.

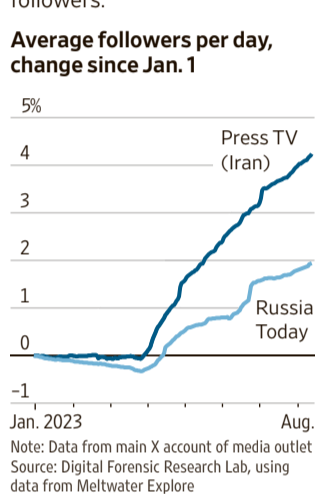
Content issues

Musk said in April that Twitter had about 1,500 employees, down from about 8,000.

Layoffs and resignations diminished the size of its trust and safety team. Musk also dissolved the platform's trust and safety council, a group of about 100 volunteer organizations that advised Twitter on policing different areas of harassment and abuse.

Twitter had introduced a policy in recent years of labeling state-media accounts, including those run by Russian and Chinese-sponsored media, as foreign-media accounts. The goal was to ensure they

weren't promoted in users' feeds, to limit user interactions with them, and to alert users if they stumbled upon them.



weren't promoted in users' feeds, to limit user interactions with them, and to alert users if they stumbled upon them.

Last year Musk proposed removing those labels, but some employees pushed back, according to people familiar with those discussions. While Musk didn't give a reason, he had earlier in 2022 tweeted that "all news sources are partially propaganda, some more than others."

Months later, the labels were stripped away and the platform started delivering such tweets more prominently to users.



Yoel Roth, former head of trust and safety, was the subject of a negative Musk post.

Some Iranian, Russian and Chinese state-backed accounts previously labeled as state-affiliated began gaining followers after months of decline, according to the Atlantic Council's Digital Forensic Research Lab, which reviewed a sampling of the accounts for the Journal using data from Meltwater Explore.

Musk's friends

Musk said in a post on X earlier this year that he wanted it to be "fair & impartial, favoring no party, seeking only the least wrong truth."

When Musk's friend, venture capitalist Marc Andreessen, complained that Twitter was showing him too many posts that didn't interest him, Musk told engineers to fix the problem, according to people familiar with the incident. Engineers tweaked the app so that Andreessen and some other high-profile users saw less content from users they didn't follow.

A spokeswoman for Andreessen declined to comment. Business Insider previously reported Andreessen's complaints.

Musk had promised early on that Twitter wouldn't make content decisions or account reinstatements until it formed a content moderation council. That never happened. Musk went ahead with bringing back banned users.

He ordered the reinstatement of the conservative Canadian psychologist Jordan Peterson and the Christian satire website the Babylon Bee after suspensions for their posts about transgender people.

At times, the company's policies prevailed over Musk's initial inclinations. When Twitter's former Chief Executive Dorsey was promoting a competitor on Twitter—the social network Nostr—Musk told his team to block the accounts of Dorsey and other high-profile users who were linking to competitors, according to people familiar with the request.

Employees pointed out that there wasn't a company policy to justify a ban. Musk backed down—partly. He stopped insisting that Dorsey and others get cut off, but he enforced a ban on people posting to com-

petitors.

Twitter employees rushed to write a policy to justify the move. It didn't last long. After publishing the policy against linking to competitors, Musk received so much criticism that he rolled back the changes.

Tweet boost

Musk tweets a lot. Earlier this year, after he noticed his posts weren't receiving as much attention, he told his lieutenants to address the issue, according to people familiar with his comments.

Some engineers at the company thought his popularity might have dropped because users were growing tired of him. When Twitter's engineers investigated, they found that one problem was that too many users had blocked Musk, making his tweets less popular.

Still, Musk told engineers his posts deserved more attention.

Company engineers were called in over a weekend to work on it, according to people involved in the effort. Many engineers had been fired or resigned, and the remaining employees didn't know as much about the algorithm. Musk asked one former engineer if he would return for a half day of work, according to former employees. The engineer declined.

At first, the engineers adjusted the systems that recommended tweets to people who didn't follow users, but this didn't satisfy Musk, according to people who worked on the matter. Ultimately the engineers wrote a piece of code that inserted Musk's tweets into user timelines, which boosted Musk's tweets for all users except those who blocked him.

Musk's effort to boost his posts was previously reported by Platformer.

Since becoming CEO, Yaccarino's main goal has been to repair relationships with advertisers that have fled the platform since Musk's takeover. Musk posted earlier this week that U.S. advertising revenue was down 60%, without citing a time frame.

X has been under pressure from some advertisers and groups who have raised concerns about hateful content. Yaccarino met in June with groups that follow these issues, including the Center for Countering Digital Hate, which has accused the platform of allowing the proliferation of hate speech, according to people familiar with the meeting.

Within weeks, Musk took a different tack, saying on the platform that CCDH "appears to be foreign government interference" and calling its chief executive, Imran Ahmed, a "rat." X Corp. then sued the group, alleging its research used flawed methodologies to censor viewpoints it disagrees with, and that it improperly accessed data from X's platform.

Yaccarino retweeted a company statement accusing the group and its backers of "actively working to assert false and misleading claims about X."

CCDH has defended its research. After the lawsuit was filed, Ahmed said in a written statement: "Musk is trying to 'shoot the messenger' who highlights the toxic content on his platform rather than deal with the toxic environment he's created."

—Jim Oberman
contributed to this article.

Workers Get Filmed For TikTok

Continued from Page One

down his vanilla soft-serve cone in one bite while a friend recorded it for posterity on a smartphone camera that was also pointed toward Gonzalez. Others have flipped ice cream cones out their windows, attempting to get them to land perfectly centered on the hood of the vehicles. Video of a perfect throw might not wind up in the Library of Congress next to "Citizen Kane," but it may generate some clicks on TikTok.

Diners have long been known to whip out cameras while eating, with a 2021 poll finding that 44% of people frequently post images of their

food on social media. Now, customers, typically younger, are training their cameras on the staff.

"The biggest issue with older customers is they yell at you if you get their order wrong and want free food," says Gonzalez, who is 23. "Younger people are different; they make weird food requests and do weird stuff in the drive-through."

Restaurants and bars have become hotbeds of impromptu videos, as customers capture the exotic experience of...dining out. At times the patrons like to catch workers reacting to a prank. Some videos have gone viral online, attracted millions of views and turned waiters, servers and bartenders into unwitting bit players in skits. While many workers don't mind being featured in these videos (especially if the creator tags them), others hide behind the counters or spend their shifts on high alert, wondering what fresh

hell or hilarity awaits.

During a shift at an Atlanta Starbucks drive-through window, Darby Williams got a highly intricate order for a large, iced drink with multiple syrups, foam and drizzle. Her radar went off. "It gave me the energy of a typical TikTok beverage," says Williams, 27.

She opened the drive-through window to greet the customer, and immediately noticed an iPhone in the front-seat passenger's outstretched hand, seemingly recording Williams, who, though uncomfortable, tried to "behave as normally as possible and provide good customer service."

"Was something about to happen?" Williams recalls wondering. "Would someone throw a drink on me? Would my face be plastered all over the internet?"

At the end, the driver and passenger grinned, and drove off. Williams doesn't know what happened to the video. "What are your thoughts

on customers with their 'social media' bull—inside establishments filming staff?" wrote a worker recently on the "TalesFromYourServer" Reddit page, which has more than 570,000 members. Hundreds chimed in. "I work at a place that's very Instagramable, it is super vintage with retro cars and a retro diner we use as our kitchen, people are always asking me to stage walking in and out of the diner for their little video for social media," one commenter wrote. "I usually tell them something along the lines of 'I don't get paid enough to be an actor in your Instagram reel.'"

"Tell people, 'no pictures I have warrants,'" advised another poster. "Usually gets a chuckle."

The filers say they create these videos for entertainment but occasionally get pushback. Kyle Frost, 22, says he and his brother have become recognizable in their hometown of Columbus, Ga., for making

prank videos at local restaurants and businesses. They walked into one store to film and got "kicked out almost immediately," he says. "They saw us coming."

Patrons often begin recording the moment they approach a business to produce an idyllic opening shot for their videos. Problem is, that filming often captures hosts such as Christina Sprull, who works at a restaurant in Chicago and is often responsible for greeting people and escorting them to their tables.

When customers enter with their cameras pointed at her, she'll turn around and greet them with her back turned.

"I don't want my face wherever they're going to post it, but I don't want them to have a terrible experience," says Sprull, who is 33. "It's not that I don't want to be in your memories. It's that I care about my privacy."

She says a heads-up would be nice. "Apparently, it is too

painful to just ask," she says.

Many chains have policies that encourage customers to be mindful of workers and other patrons' privacy and comfort. A Starbucks spokeswoman referenced the company's policy that says it doesn't tolerate disruptive behaviors.

Vanessa Barefield, 40, of Waynesboro, Ga., is often a draw for cameras, thanks to one of her signature drinks.

The bar owner and part-time bartender mixes "rainbow shots" made of five liquids of varying colors and densities layered on top of each other. She doesn't mind when customers film close-up videos of her hands. She says social-media posts made by customers help bring new people in. She draws the line at patrons filming her face without consent. "I don't go to CVS and start filming the pharmacists doing their job," Barefield says. "It's the same principle."

ARTS IN REVIEW



FILM REVIEW | KYLE SMITH

Climbing Cinema's Summit

This year's iteration of the Telluride Film Festival promised an engaging movie season to come

Panning for gold in the Rockies remains sufficiently tantalizing that thousands head up here every Labor Day weekend to do it. The treasure being sought is great movies, and some of them at this year's iteration turned up with considerable sparkle. Several major Oscar contenders made their North American premieres and will be engaging, delighting and disturbing theatergoers later this fall.

The latest edition, billed as the Telluride Film Festival's 50th (but really 49th; events were canceled in 2020), threatened to be dampened by the strikes by the Hollywood actors' and writers' guilds. Yet celebrities such as Julia Louis-Dreyfus, Dakota Johnson and Ethan and Maya Hawke did appear. Telluride attracts more art-house cinéastes than Hollywood gawkers, though, and so the strength of the slate was the talk of the festival even as organizers and attendees mourned the death of one of its founders, Tom Luddy, who succumbed to Parkinson's disease in February at age 79.

The festival's curation tends to lean more toward the difficult than the fun, which is why **"Poor Things"** (in theaters Dec. 8) was such an ebullient surprise. Greek director Yorgos Lanthimos (**"The Lobster," "The Favourite"**) works on a grand scale for the first time in this spectacularly entertaining, visually phenomenal, **"Candide"**-like feminist fable that begins like **"Frankenstein"** and opens up into an expansive, raunchy satire about women's roles that recalls (believe it or not) **"Barbie."** In a gutsy and hilarious performance, Emma Stone plays a bizarre young woman—the ward of a Victorian-style mad scientist (Willem Dafoe)—who goes on a dazzling sexual odyssey with a cad (Mark Ruffalo). As Ms. Stone's Bella develops from naïf to sophisticated, she and Mr. Lanthimos leave the audience with much to debate. A long list of Oscar nominations is assured.

Equally powerful, in the opposite direction, was the shattering Auschwitz drama **"The Zone of Interest"** (theaters Dec. 8). No brutality is depicted and yet it is present in every scene as writer-director Jonathan Glazer (**"Under the Skin"**) adapts Martin Amis's novel. The story takes place almost entirely in and around the comfortable villa of a commandant (Christian Friedel) and his wife (Sandra Hüller), who are raising their children in sunshine and flowers separated only by a high wall from the camp, from which screams and gunshots can be heard. The film is a chillingly bleak reminder that ordinary people can be complicit in the most barbaric acts.

Telluride prides itself on new filmmakers, and this year an impressive debut effort was writer-di-

rector Christy Hall's expertly crafted **"Daddio"** (no release date yet), which steers around every potential cliché in a penetrating two-character study of a brash cab driver (Sean Penn) and an upscale Manhattan woman (Ms. Johnson) who spend an hour and a half talking on a trip from JFK Airport. Both stars excel in their roles, and Ms. Hall's astute script builds one unexpected yet plausible revelation atop another as the two develop a surprisingly intimate bond. Another relative newcomer, Emerald Fennell, an Oscar winner for her script for **"Promising Young Woman,"** displayed a wickedly twisted imagination in **"Saltburn"** (theaters Nov. 24), just her second feature as writer-director. Barry Keoghan (an Oscar nominee for **"The Banshees of Inisherin"**), who has an extraordinary talent for playing the awkward and askew, is absolute perfection as a sneered-at poor boy studying at Oxford who attracts the sympathy and friendship of a rich, popular student (Jacob Elordi). At the latter's country estate, **"Saltburn,"** there is a hedge maze, and Ms. Fennell's script has just as many turns. As with her previous film, it's impossible to imagine anyone walking away from **"Saltburn"** without a strong reaction, whether it be outrage or adulation.

Another outstanding lead actor was the impish Colman Domingo as civil-rights activist Bayard Rustin in **"Rustin"** (theaters Nov. 3, Netflix Nov. 17), a gay ex-Communist who



organized the 1963 March on Washington. Though George C. Wolfe's movie gets bogged down in intramural squabbles among Rustin and the NAACP head Roy Wilkins (Chris Rock) and Rep. Adam Clayton Powell Jr. (Jeffrey Wright), Mr. Domingo radiates charisma. An even more finely drawn cinematic

Yorgos Lanthimos delivers a spectacular feminist fable with 'Poor Things.'



► Sandra Hüller in Jonathan Glazer's **'The Zone of Interest'**

▲ Emma Stone and Mark Ruffalo in **'Poor Things'**

Alexander Payne brought the world premiere of **"The Holdovers"** (theaters Oct. 27), in which Paul Giamatti plays yet another sad sack, this time an obnoxious history teacher at a New England boarding school in 1970 who gets stuck there over Christmas break minding a difficult student (Dominic Sessa) who has been marooned by his selfish mother. The film is typically saturated with wry appreciation for life's losers, but runs at least 15 minutes too long and takes a maudlin turn. Another monotonous experience with a hokey finish was Andrew Haigh's **"All of Us Strangers"** (Dec. 22), in which a gay screenwriter (Andrew Scott) living in a sepulchral London high-rise hooks up with a neighbor (Paul Mescal) and imagines explaining his life to his long-dead parents (Claire Foy and Jamie Bell), who were killed in an accident when he was a kid. The loner in writer-director Ethan Hawke's film **"Wildcat"** (no release date yet) is the Southern Gothic writer Flannery O'Connor, played in a fiercely committed performance by the gifted Maya Hawke, of **"Stranger Things,"** who has never starred in one of her dad's films before. (The senior Hawke has been directing for more than 20 years but doesn't act in this one.) **"Wildcat,"** which co-stars an unbearably campy Laura Linney as O'Connor's philistine mother, Regina, merges O'Connor's brief and agony-filled life with an anthology of her stories in which the two actresses play several of the author's creations. The film plods but Ms. Hawke shines.

Dry eccentricity underlay the tiresome **"Fingernails"** (theaters Oct. 27, Apple TV+ Nov. 3) from Greek director Christos Nikou (**"Apples"**), in which Jessie Buckley and Riz Ahmed play unloved people at a quack clinic where customers get their nails ripped out to test whether they are a match for their romantic partners. The plot's direction becomes evident early on, but it isn't especially convincing and it proceeds there as though stuck in holiday traffic. Juvenile loneliness infused **"Janet Planet,"** a sad first film from playwright Annie Baker about a New Age acupuncturist single mom (Julianne Nicholson) and her friendless 11-year-old daughter (Zoe Ziegler), who woefully cling to each other in the summer of 1991. Ms. Baker is a minimalist whose fascination with banality exceeds mine, but the film's younger star, who has never acted before, is wonderfully natural.

Two films that deserved the "Nice try, but . . . no" award earned a salute for at least being daring. In **"Tuesday"** (no release date yet), a debut from Daina O. Pusić, Ms. Louis-Dreyfus tries to outsmart death in the form of a talking parrot, which seeks to take the life of her chronically ill adolescent daughter. And Chile's Pablo Larrain, who previously made respectful biopics **"Jackie"** and **"Spencer,"** this time ventured into horror-fantasy with the black-and-white **"El Conde"** (in theaters this week, Netflix Sept. 15), which imagines murderous dictator Augusto Pinochet (Jaime Vadell) as a depressed 250-year-old vampire who longs for death. I longed for a satire that had more bite.

◀ Colman Domingo in **'Rustin,'** about the civil-rights organizer Bayard Rustin

portrait is **"The Pigeon Tunnel"** (theaters and Apple TV+ Oct. 20), a documentary from one of that form's leading practitioners, Oscar winner Errol Morris (**"The Fog of War"**). It's a treat to learn that, before he died in 2020, the great novelist David Cornwell, aka John le Carré, provided Mr. Morris with an in-depth discussion of his deceit-steeped life and works. I was enthralled by every minute of it, just as I was throughout writer-director Jeff Nichols's **"The Bikeriders"** (in theaters Dec. 1), the finest movie about motorcycle culture I've ever seen.

Told with gusto à la **"Goodfellas"** (voiceover narration, freeze frames, wall-to-wall pop nostalgia), this richly evocative look at how a 1960s Midwestern biker club turned into a gang establishes **"Elvis"** Oscar nominee Austin Butler as a major movie star—like a combination of 1980s Johnny Depp and Val Kilmer. As his exasperated wife, Jodie Comer is spectacular, while Tom Hardy, as the leader of the gang, continues to be one of our most amazing screen chameleons.

If only all Telluride movies had so much vroom. A running obsession of the festival was loneliness, which was woven into five low-serotonin films that sapped my spirit. **"Sideways"** and **"Election"** director

ARTS IN REVIEW

THEATER REVIEW | CHARLES ISHERWOOD

One Woman's Uncanny Cast

Catherine Waller's solo show melds the macabre with disarming appeals to the audience

As she slithers around the floor in a black bodysuit, Catherine Waller, the creator and performer of the solo show "The Creeps," resembles a human-size lizard, complete with flicking tongue. Should you be unnaturally, or perhaps naturally, averse to lizards, the effect promised by the play's title will set in quickly.

It will probably happen eventually for most attending this arrestingly strange show, which has been seen, and piled up several prizes, at various theater festivals. (It was part of the United Solo Theater Festival in New York in 2018.) Ms. Waller is a chameleonic performer, most impressively in the way she imbues each of the characters she portrays here with a distinctive physicality. In the show's introduction—it turns out, according to the script, that she is playing a character called Lizardman—she rises from the floor to move into a bent-kneed stance, arms flared at her sides, in a pose that strikingly recalls that of a Merce Cunningham dancer.

In playing the first human character we meet, a man named Bill, she throws on a woolen cap and kneels into a deep crouch, remaining there as he unfolds bits of his grim life story, which includes the death of a daughter in mysterious circumstances relating to the building in which Bill is now the basement-dwelling caretaker. The premises are owned and presided over by a doctor who sounds increasingly sinister as the show proceeds. Bill's squint isn't

just a squint: In addition to his daughter, he has also lost his eyes.

He is not alone in affliction. There is also the pregnant prostitute—Bill's home is apparently, among its other grisly functions, a brothel—who is drug-addicted and piteously hoping to bring her child into even the dire world she inhabits. Later we meet an endearingly chipper young girl who has had her hands and feet removed. So she cheerily tells us. And while her bright squeak of a voice is in stark contrast to the horrific details she lets slip about her experience, again it is Ms. Waller's physical embodiment of this girl that brings her to vividly disturbing life.

No one who inhabits the building where the doctor holds sway is safe from the shadowy specter of his apparent malevolence, although Ms. Waller stokes suspense by keeping us in the dark about many details. Even after the show, which runs just over an hour, had drawn to its (slightly abrupt) conclusion, I was left wondering precisely what this

murky tale was intended to mean, other than to display before us, freak-show-like, the ghoulish cast of characters.

Yet what is most surprising about "The Creeps" is not its gothic, Grand Guignol flourishes—although Ms. Waller deserves credit for delving into realms that are more easily explored on film or in prose—but instead the uncanny manner in which she blends them with disarmingly appealing passages in which the characters engage with the audience. That young girl, for instance, in addition to imploring audience members to give her a piece of jewelry—there

The performer distinctively embodies her many afflicted characters.



▲ Catherine Waller in her off-Broadway show 'The Creeps'

is pathos in her cajoling desperation—also shares bad jokes and invites us to contribute our own.

Many will shudder at the idea of partaking in these strange proceedings—I'm generally a hearty non-fan of immersive, or, as it is advertised here, "interactive" theater—but Ms. Waller, while remaining in character(s), brings an easy naturalness to the manner in which she welcomes the audience into the show, so that the rapport between these weird dramatis personae and those who voluntarily exchange

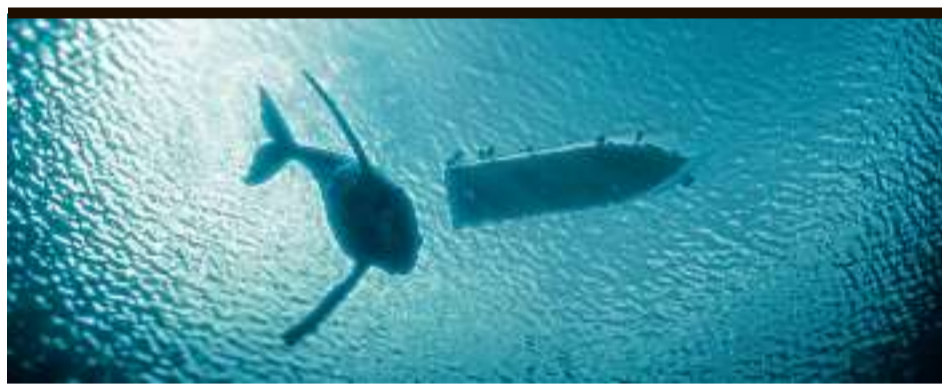
words with them feels unthreatening and even, at times, affecting. (Of course, Ms. Waller's daring also means risk: At the show I saw, one audience member seemed to want to join her onstage, so insistent was he on obeying one of the "rules" she set out at the top of the show, to feel free to talk.)

"The Creeps," which features terrific sound design by Hidenori Nakajo and lighting by Scott Monnin that add immensely to the dark atmosphere, will certainly succeed in giving rise to that obscure, but probably universal, feeling of being unsettled and unnerved by something seen, heard, or experienced. Ms. Waller's

shape-shifting performance is itself an eerie, unforgettable marvel. And if you leave still puzzled at how the characters came to fall into the cruel circumstances in which they find themselves, that's not necessarily a drawback, since it is usually the tales that leave unanswered questions behind that are most likely to haunt you.

The Creeps
Playhouse 46 at St. Luke's, 308 W. 46th St., New York, \$67-\$107, thecreepsoffbroadway.com, closes Nov. 5

Mr. Isherwood is the Journal's theater critic.



TELEVISION REVIEW | JOHN ANDERSON

'The Swarm': A Sea of Troubles

"THE SEA WAS ANGRY that day, my friends," George Costanza once said, though he was referring more to the weather than the water. Or the creatures beneath it. In the new series "The Swarm," there are sunny days and deceptively tranquil oceans. There is also a man-eating school of sardines and what appears to be a humpback, belly-flopping on a boatload of whale-watchers as if they were passengers on the Pequod.

Why? It isn't easy to draw a bead on a new series based on one episode, which was all that was ready to be reviewed. And pilots are always about setting up characters and situations. The former seem likable enough based on our brief acquaintance. And the situation is as follows: Nature is fighting back, and the denizens of the deep are taking no prisoners.

It is a provocative if not entirely original idea, never mind the recent reports of killer-whale attacks on pleasure craft in Europe. (Given production schedules, it has to be coincidence.) "Gojira," the original Japanese "Godzilla" movie of 1954, was about a monster awakened by undersea nuclear testing and not happy at all about it; in "The Birds," Alfred Hitchcock sicced a murder of crows on Tippi Hedren in service to, among other things, an environmental message. "The Swarm" is based on the popular novel by German author Frank Schätzing, and developed by executive producers Frank Doelger ("Game of Thrones"), Mark Huffam



▲ Underwater shot from 'The Swarm,' top; Krista Kosonen and Alexander Karim, above

("The Martian," "Saving Private Ryan") and Ute Leonhardt ("Killing Eve"), among others. Big fish, in other words. There seems to be a vast blue expanse of possibilities to explore.

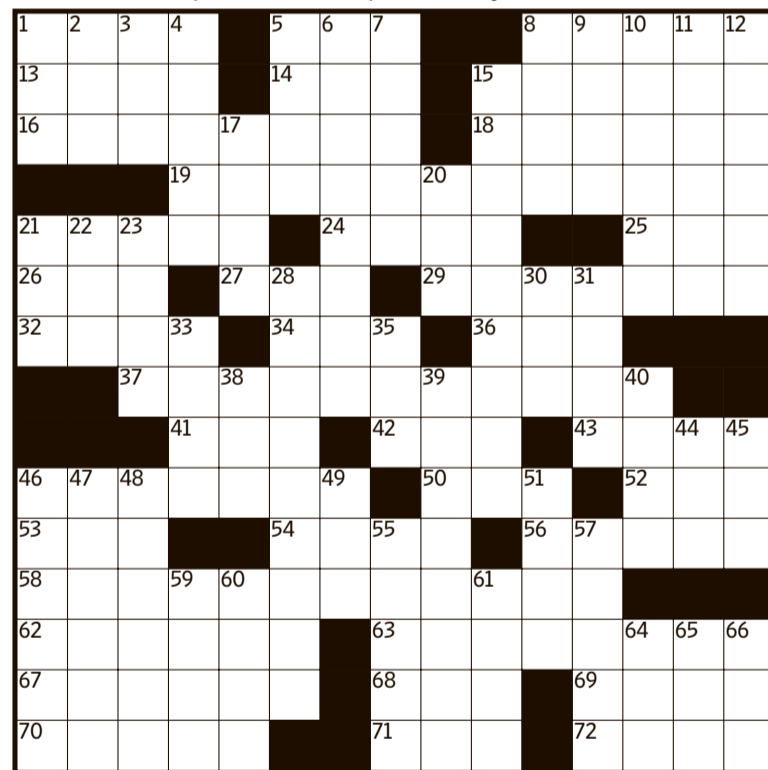
The cast is young and, given the international flavor of the production and the variety of locales, a global assortment of young talent, but not exclusively: German legend Barbara Sukowa ("Berlin Alexanderplatz," among many others) is the prickly Prof. Lehmann. And Dutch Johnson ("Veep") is Jack Greywolf O'Bannon, a Navy vet who years earlier freed a pod of mine-hunting dolphins that had been mothballed and who was summarily court-martialed for his kindness. Perhaps they'll remember as the going gets tough.

The action here begins on Vancouver Island, where Leon Anawak (Joshua Odjick), a whale researcher

and member of a local tribe, is investigating the death of an orca that has washed up dead, bearing lacerations that certainly don't look like bite marks. ("What would bite an orca?" a colleague asks.) Local fishermen report that the whale repeatedly attacked their boat and had to be repelled with gaffs and pikes. Meanwhile, in the Shetland Islands of Scotland, where marine biologist Charlie Wagner (Leonie Benesch) has been banished for some unspecified on-the-job mishap floating there, too. When not-an-arsonist Charlie sets fire to it, it bursts into flames, which is entertaining and educational. You can learn something from "The Swarm." Though perhaps not about whale-watching.

The Swarm
Begins Tuesday, 9 p.m. The CW

The WSJ Daily Crossword | Edited by Mike Shenk



- 15 Field for a pitcher's rep
- 17 Musical Horne
- 20 ___ Vegas
- 21 Took a load off
- 22 Chapel vow
- 23 Strike
- 28 Ones transferring rights to others
- 30 "I'll take that as ___"
- 31 Japanese for "buckwheat"
- 33 Singer Kelly
- 35 Marathon ID
- 38 Author
- 39 Pfizer rival
- 40 Positive
- 44 Spillway site
- 45 "___ a trap!"
- 46 Hightails it outta there
- 47 "Anything else?"
- 48 Soprano Tebaldi
- 49 Frodo's friend
- 51 Wistful exhalation
- 55 First of twelve popes
- 57 Estado con los Cowboys
- 59 Talking trucker, often
- 60 Fabled early celebrator
- 61 They find you at 50
- 64 Adjective-noun linkers
- 65 Pink drink
- 66 ___ in "zebra"

OH, AND ONE MORE THING... | By Matt Gaffney

The answer to this week's contest crossword is a five-letter word.

- 25 Brian in bands
- 26 Shakespeare title noun
- 27 Sound made during a massage
- 29 Harold who ran for president nine times
- 32 Pushy seller
- 34 Sound made during a tearjerker
- 36 ___ Caps
- 37 Tactics used against players who rush the net (oh, and one more thing...)
- 41 Store with tents
- 42 Fluffy wrap
- 43 Maker of Q7 SUVs
- 46 Orchestra section
- 50 Jettas and Beetles, for short
- 52 Mob target
- 53 Michael on "SNL"
- 54 Wine county
- 56 Tabloid twosomes
- 58 Coachella Valley resort city (oh, and one more thing...)
- 62 Enjoying Happy Hour, say
- 63 NBA team in a Four Corners state (oh, and one more thing...)
- 67 Headgear for bishops
- 68 Noble address
- 69 Much of a Risk board
- 70 Long look
- 71 Connection source, for short
- 72 Lacking, in Lyon

- 4 Longtime Chicago columnist Mike
- 5 Compared to
- 6 Bicycling trick
- 7 "Seek ___ shall find"
- 8 Big buck
- 9 Member of Reagan's cabinet
- 10 Frenzied activities
- 11 Goolagong who won Wimbledon in 1971 and 1980
- 12 Attaches, as a merit badge

Previous Puzzle's Solution



► Email your answer—in the subject line—to crosswordcontest@wsj.com by 11:59 p.m. Eastern Time Sunday, Sept. 10. A solver selected at random will win a WSJ mug. Last week's winner: J. Bradley Barger, Hoover, AL. Complete contest rules at WSJ.com/Puzzles. (No purchase necessary. Void where prohibited. U.S. residents 18 and over only.)

SPORTS

JASON GAY

The Hottest Coach in Sports: Coach Prime

It was just one game. But under Deion Sanders, Colorado suddenly looks like college football's most fun team to watch.



I'll start with the due diligence, which is pointing out that Colorado's 45-42 victory over TCU last Saturday was one football game.

A big game, for certain, and a stunning result, but merely the first in a long season. As sensible sports fans, we know not to make a big deal out of a brief moment, when one game is just a fraction of a larger story, yet to be told.

Blah, blah, blah, due diligence performed. Let's get to the fun.

Deion Sanders. That's the fun.

Is there anyone in college football who has had more fun the first week of September than Sanders and everyone associated with the University of Colorado? I don't think so. Is there a college football program in America that feels more intriguing? Have you heard from Boulder grads you haven't heard from in years, asking how many wins makes a team "bowl eligible?"

Is there anyone who isn't now at least a teensy bit curious to watch Colorado play old rival Nebraska (with its own new fancy head coach, Matt Rhule) in Boulder this Saturday at noon ET?

"This is personal," Sanders said. "That's the message of the week."

Think about that! We are getting fired up to watch Colorado play Nebraska. This rivalry hasn't been relevant for decades—it's like being excited to hop into a Mazda Miata, crank *Use Your Illusion II* and go see "Dances With Wolves."

It's all because of him. Deion. Coach Sanders, Coach Prime, Prime Time, "Neon" Deion, whatever you want to call him—as long as it's Coach Prime. Sanders, a '90s relic himself, is now college football's charismatic change agent, a big man among Buffaloes, instantly the most discussed figure in college football and possibly all of sports.

"We told you we coming," Sanders said after his Buffs stunned everyone on Earth but Sanders.

He's not for everyone, but Coach Prime feels built for right now. He is revitalizing one of college football's most forlorn programs—Colorado finished 1-11 last season, close to dead last in national rankings for offense and defense—by tapping into a loosened transfer portal and making a forgotten program seem



Clockwise from top, Colorado coach Deion Sanders, two-way sensation Travis Hunter and quarterback Shedeur Sanders.

free market it always claimed it wasn't. Sanders, with his ample charisma and Hall of Fame NFL career, doesn't need to tap in to fussy alumni, tradition or shiny campus toys to make CU an attraction. *He's* the attraction. Deion himself.

Sanders, 56, has been a sports character for eons—a sensation at Florida State who dazzled his way into a two-sport football/baseball career, notably with the Falcons, Yankees, Braves, 49ers and of course those peak '90s Dallas Cowboys. He played cornerback and returned punts (played a little receiver too), won two Super Bowl

rings, batted .533 in the 1992 World Series, made music with MC Hammer and served as both the host and musical guest in a 1995 episode of "Saturday Night Live."

He is as famous as an ex-athlete can be, and yet Sanders the coach took a different path. For three seasons, the former youth coach was the man in charge at Jackson State in Mississippi, where he compiled a 27-6 record, 19-2 in the Southeastern Athletic Conference. He delivered an instant recharge to one of the country's Historically Black Colleges and Universities, and it felt like only a matter of time before new opportunities arrived. It wound up being...not a contender on the verge, but Colorado, a basement dweller.

Sanders was undaunted. "We're coming to work, not to play," he

said at his introductory press conference. "We're coming to kill, not to kick it."

There is no caution to the messaging, one of the many ways in which a Coach Prime regime is different (another way: he's replaced "captains" with "leaders" and "dawgs"). A tentative coach might have labeled the opener versus TCU a "soft opening," not knowing how they could fare versus a strong program that reached the national championship last season.

Sanders wasn't tentative. And neither were his Buffs, 21-point underdogs who played like they expected to go toe-to-toe against a nationally-ranked opponent in a hostile stadium. Shedeur Sanders threw for a school record 510 yards and got a congratulatory text from Tom Brady. Hunter, a highly-recruited five-star player whose loyalty to Sanders began with his decision to enroll at Jackson State, had an interception on defense to go with 119 yards receiving, instantly joining the (extremely premature) Heisman shortlist.

Again: one game. But even one game could be read as a signal of college football's evolution—that geography, tradition and recent records are no longer the foundations of football success. If a conference like the Pac-12 can crumble overnight, if a West Coast school can join an East Coast conference, why can't an also-ran like Colorado rebrand as a fresh power with a starry new coach?

Then again, maybe it's just Deion, *sui generis*. There's no one quite like him, from his on-field NFL bona fides (YouTube is a gold mine) to his sideline flair to his agile social media (run by his son Deion Jr.). Sanders is a Black head coach in a sport where Black head coaches remain significantly underrepresented (14 out of 133 Division I FBS schools). Attention will be relentless, but he seeks it, and prefers it that way.

A skeptic might argue The Deion Show will eventually get tired, and there will surely be a gleeful pile-on the first time Coach Prime's Buffs lose. But what's happening in Colorado isn't a one-man act. If you listen to Sanders, he frequently credits the bevy of assistants he brought to CU, and it's clear they have built a motivated, talented team. More talent seems certain to arrive. What recruit doesn't look at CU and think: *That looks fun?*

Nebraska at Colorado. Noon time for Prime Time. I can't wait. This is no time for due diligence or caution. Somebody needs to gas up the Miata.

There Is a Line Forming To Dethrone the Chiefs

BY ANDREW BEATON

PATRICK MAHOMES and the Kansas City Chiefs kicked off their season on Thursday night and hope to become the first repeat champions in nearly two decades. But their biggest obstacle isn't an unproven receiving corps or a star tight end with a bum knee. It's the armada of Super Bowl-caliber teams lining up to chase them down—from within their own conference.

When the World Cup draw comes out every four years, it's a rite for one group to be dubbed the "Group of Death" because it's unevenly loaded with some of the best soccer-playing countries in the world. This year, the NFL has a similar phenomenon. Except it's an entire conference, the AFC, that's unusually concentrated with contenders that boast quarterbacks capable of winning it all.

The Chiefs, who began their season Thursday against the Detroit Lions, are the favorites once again to celebrate with a confetti shower in February, but the crowd of teams lining up to prevent them from even reaching the Super Bowl is inordinately deep. Nine of the 13 teams with the shortest odds to win the Super Bowl are in the AFC, according to FanDuel sportsbook.

"This is crazy," says Tony Romo, who calls the conference's games on CBS. "There's a lot of parity, and I think you've got a lot of teams thinking they can win a championship."

The NFC isn't completely devoid of contenders or elite quarterbacks—there are plenty of people from Philadelphia who will hurl their cheesesteaks at anyone who forgets that Jalen Hurts's breakout led the Eagles to a Super Bowl appearance a year ago. But

the conference's most bankable bets have noticeably thinned.

In just one offseason, two NFC teams lost a pair of the greatest quarterbacks in football history. The Tampa Bay Buccaneers no longer have Tom Brady, who retired and spent his offseason on safari instead of unretiring this time. Aaron Rodgers, meanwhile, chose to spend his time somewhere slightly less glamorous: New Jersey. The four-time Most Valuable Player engineered a trade out of Green Bay to play for the New York Jets, whose fans now possess something slightly dangerous given the franchise's history. It's called optimism.

Other high-profile NFC teams are also big question marks. The Los Angeles Rams, coming off a Super Bowl win two years ago, followed that up with an injury-riddled disappointment in 2022. The San Francisco 49ers, the favorites behind Philadelphia in the conference, are staking their hopes at quarterback to Brock Purdy, the quarterback who was the last pick of last year's NFL draft before emerging as a sensation only to get hurt during the playoffs.

At the same time, the AFC and its stable of emerging quarterbacks is only growing deeper. According to DraftKings sportsbook, seven of the eight players with the shortest odds to win MVP—Mahomes, Cincinnati's Joe Burrow, Buffalo's Josh Allen, the Los Angeles Chargers' Justin Herbert, Jacksonville's Trevor Lawrence, Baltimore's Lamar Jackson and Rodgers—are all in the conference.

Recent years established a clear list of threats for Kansas City. The Chiefs and Bengals have squared off in back-to-back AFC Championship games, with Cincinnati prevailing two years ago. The



The Kansas City Chiefs, led by quarterback Patrick Mahomes, remain the team to beat in the NFL.

Bills have won 37 regular-season games over the last three years—or just one per year fewer than Kansas City.

Yet what defines the conference ahead of this season isn't just the teams projected to remain at the top. It's also the clubs threatening to usurp the mainstays.

There's no better example of that than the Jacksonville Jaguars. They had the ignominy of being the worst team in the NFL in 2020 and 2021, and in the latter of those seasons Lawrence struggled as a rookie during Urban Meyer's disastrous tenure as coach. Then, last season, they sneaked into the playoffs with a 9-8 record while Lawrence began living up to his hype as a generational prospect.

Now, Lawrence and the Jags are poised to knock on the door of the AFC aristocracy if their 23-year-old franchise cornerstone can continue his upward trajectory.

"Where he was a year ago to today is really night and day," Jaguars coach Doug Pederson said about Lawrence ahead of the season. "He's continuing to grow,

continuing to get better, and he's also one of the quarterbacks that's been in the conversation for one of the top in the AFC—as he should be."

Jacksonville isn't the only trendy pick to break through. In Los Angeles, Herbert's play over his first three seasons for the Chargers earned him a five-year contract worth a reported \$262.5 million. The team has steadily improved during his tenure—from six wins when he won offensive rookie of the year, to nine wins and then 10 a year ago—and it's positioned to mount the biggest challenge to Kansas City from within its own division, the AFC West.

Herbert's extension wasn't an anomaly: \$50-plus million a year is the going rate for top-shelf passers these days. Hurts received a similar deal and so did Lamar Jackson, who after much drama got a big payday in addition to new weapons such as wide receiver Odell Beckham Jr. that figure to make the Ravens an even bigger threat.

There are also teams that have fallen off the radar that nobody would be surprised if they engineered a rapid turnaround. The Broncos were an enormous flop during Russell Wilson's first season under center in Denver, but there's restored optimism he might find his old form paired with the Super Bowl-winning coach Sean Payton. Deshaun Watson's opening year in Cleveland was marred by a lengthy suspension for alleged sexual misconduct, and he wasn't spectacular when he finally returned to the field after a nearly two-year absence. Still, he's just 27 years old and not long ago was one of the most coveted quarterbacks in the sport.

Over the last half decade, none of these teams has been a model of consistency quite like Kansas City. The Chiefs have won two Super Bowls over that span and reached the conference championship every year.

But they've never had more good teams chasing them as much as this season.

OPINION

Biden Plays Disaster Politics



POTOMAC WATCH
By Kimberley A. Strassel

The Biden administration continues to follow that old Democratic maxim: Never let a crisis go to waste. Senate Republicans continue to follow their own: Let's create a crisis for ourselves.

Congress is trickling back from summer recess, and Senate Majority Leader Chuck Schumer intends to move swiftly to pass a giant "supplemental aid" package that funds Ukraine assistance, disaster relief and border security (for starters). The goal is to jam House Speaker Kevin McCarthy, forcing him to forgo whatever spending restraint was negotiated in the June debt-ceiling agreement and potentially sending his caucus into chaos. The crazy thing is that Senate Republicans are signing up to help.

If he succeeds, the result would be truly catastrophic for the Republican Party.

The White House bait—or cudgel—is "crisis" disaster-relief funding. The Federal Emergency Management Agency warned in April that its disaster fund could be out of money by July. Yet somehow the administration didn't make a priority of this "critical" FEMA funding during the May debt ceiling talks, unwilling as it was then to cede any of its other domestic pork, such as green subsidies and its \$80 billion IRS blowout. Only after next year's spend-



The Bidens in Lahaina, Hawaii, Aug. 21.

ing levels were set did it cry poverty, asking for an "emergency" \$16 billion for FEMA. President Biden is threatening to blame Republicans for failing to help victims of Maui fires and hurricanes if they don't now give him the money he didn't care about then.

The administration, meanwhile, is playing politics by insisting this disaster money be wrapped with its request for \$24 billion in aid to Ukraine. Mr. Biden wants his Ukraine dollars, but he wants even more to heighten the divide within the GOP. Senate Minority Leader Mitch McConnell has been making daily floor speeches on the need for more Ukraine funding, worried Mr. McCarthy can't get this crucial aid past House GOP spending hard-liners. So Mr. McConnell is taking the bait, signing up to help Mr. Schumer ram the whole package down the House's throat.

The dollar costs alone of such an exercise could prove obscene, given this Senate's skill at greasing the legislative skids with pork. The White House already jacked up its opening supplemental bid to \$40 billion—significantly higher than what it suggested

earlier this summer. Progressive lawmakers are lining up with additional demands for climate dollars, food-and-shelter money for border crossers, and \$16 billion in new child-care funding. Senate Republicans aren't drawing any bright lines as to what can be included. Where would be the spending fun in that? Never forget last year's beyond-the-pale omnibus.

The political costs to the GOP could be grave. This supplemental could easily wipe away whatever spending restraint House Republicans negotiated in the debt-ceiling deal, destroying the hard-fought effort at demonstrating GOP commitment to getting deficits and inflation under control.

An even bigger political price would be paid for jamming a speaker with such a slim majority. The GOP kamikazes won't be bullied into submission, and they might use the Senate pressure as an excuse to dig in against work on regular appropriations, provoking a government shutdown. In that case, the GOP will take total blame. Under the debt-ceiling rules, if Congress fails to enact all 12 regu-

lar appropriations bills by year's end, discretionary accounts (including the military) are subject to a 1% cut. How does that help Mr. McConnell's Ukraine priority? Conversely, suppose the pressure grows so great on Mr. McCarthy that he's forced to pass a supplemental appropriation with Democratic votes. The next call may be a motion to vacate the chair, leaving the House speakerless again.

Republicans ought to remember that they won the House last year, and it is their base of power. Mr. McCarthy is negotiating to get his members to agree to a short-term continuing resolution that will allow the House to complete its appropriations process. He wants some of the proposed supplemental spending to go through that regular order, providing Republicans more opportunity to scrutinize provisions and pressure Democrats to agree to offset some White House demands. Some Senate Republicans (and virtually all the media) will sneer that the speaker has no chance of navigating his fractious caucus through a continuing resolution, 12 spending bills and a supplemental. Certainly the potential for failure is high.

Then again, the same fatalism prevailed in the run-up to the debt deal, only for the House GOP to wrench notable concessions from Bidenland. That win ought to earn Mr. McCarthy the same opportunity now—via a new round of "must pass" bills—to unite his team and notch some policy and political victories. It's certainly a better strategy than handing, on bended knee, Messrs. Biden and Schumer the supplemental keys to the castle. Republicans win only when they stick together.

Write to kim@wsj.com.

BOOKSHELF | By Andrew R. Graybill

Right at Home On the Range

Son of the Old West

By Nathan Ward

(Atlantic Monthly, 368 pages, \$28)

A close friend of mine—a fellow historian and avid outdoorsman—likes to joke that while I merely write about the American West, he has actually lived it, crisscrossing the region's hiking trails, bike paths and ski slopes. My pal might thus admire Charlie Siringo, who did both: He worked as a cowboy and as a detective for the Pinkerton Agency and then published books about his adventures. In "Son of the Old West," writer Nathan Ward tracks Siringo from Texas to Idaho and seemingly everywhere in between while relating his encounters with an array of characters, some of them among the most famous of his day. As Mr. Ward explains, his book is as much a chronicle of the Old West as it is the study of a colorful, and ubiquitous, frontiersman.

Charles Angelo Siringo was born to immigrant parents—an Italian father and an Irish mother—in 1855 in Matagorda County, Texas, southwest of Galveston. His father died before the boy was a year old, and the turmoil of the Civil War heightened the family's crisis. But the conflict brought one unexpected benefit: The Union blockade of New Orleans closed the Texas cattle trade, bottling up several million longhorns by 1865. Thus began the brief (but deeply romanticized) open range era, as ex-Confederate veterans returning to the Lone Star State began rounding up the feral bov-



vines and driving them north to market. Charlie got his start as a cowboy at age 12 and made his first trip up the famed Chisholm Trail seven years later, in 1874.

During the time that he spent as a cowhand, Siringo saw it all. He pulled night watch, survived stampedes, and navigated rain-swollen creeks and rivers. Moreover, according to Mr. Ward, it was during this period that Siringo earned the sobriquet "Ulysses of the Wild West" and on his journeys crossed paths with some of the period's celebrated figures. For instance, one of his first jobs was on a ranch owned by legendary cattleman Abel "Shanghai" Pierce. During a bar fight in Dodge City, Kan., Siringo ducked beer glasses hurled in his direction by the lawman Bat Masterson. And while working in the Texas Panhandle during the summer of 1878, he came across a group of men playing cards. As Mr. Ward writes: "One of the men was boyish, gaunt, and downy-lipped . . . brown hair curling down his neck, at ease wearing a holstered Colt revolver." It was Billy the Kid. Two years later, Siringo would join a posse in fruitless pursuit of the outlaw.

In the early 1880s, Siringo married and opened a store in Caldwell, a small town in south-central Kansas close to the border with Indian Territory (now the state of Oklahoma). If this was an unlikely career move for a "stove up cowpuncher," as Siringo described himself, more surprising was his decision around the same time to moonlight as a writer. That effort, remarkably, yielded "A Texas Cowboy; or, Fifteen Years on the Hurricane Deck of a Spanish Pony," published in 1885 and regarded today as among the first of its kind: the cowboy autobiography. Fans of the book included the noted Texas folklorist J. Frank Dobie and the Oklahoma vaudeville Will Rogers, who hailed it as "the Cowboy's Bible."

Fresh off his success and wishing, as Mr. Ward explains, to "become a man of Western letters," Siringo moved his family to Chicago in 1886. But that year's Haymarket Riot—a deadly clash between labor activists and the Chicago police—changed his plans, spurring him instead to join Pinkerton, which had surveilled suspected anarchists prior to the violence. For more than two decades, Siringo served the detective agency, assigned to cases that included tracking Butch Cassidy's Wild Bunch and guarding miner Harry Orchard during his trial for the assassination of former Idaho Gov. Frank Steunenberg.

First a cowhand, then a detective, then an author, Charlie Siringo crisscrossed the American West, collecting stories as he went.

Siringo's relationship with the agency soured in retirement, however, when he sought to publish a memoir of his time with Pinkerton; the notoriously private firm maintained that there was no expiration date when it came to confidentiality and thus insisted on revisions to his manuscript. When the book finally appeared in 1912, it was bowdlerized and failed to match the success of his inaugural effort. Eventually, like so many former cowboys, Siringo sought work in Hollywood, where he scratched out a meager existence. He died in California in 1928 at age 73.

The author of several previous books, including a biography of the crime writer (and former Pinkerton agent) Dashiell Hammett, Mr. Ward—like Siringo himself—spins a good yarn, and his book will surely please Old West enthusiasts, whose interest in the characters of this period remains evergreen. But other readers will spot missed opportunities, especially in light of new findings by Mr. Ward that could have added depth to his portrait of the cowboy detective. To take one example, Mr. Ward discovered extensive material on Siringo contained in the files of the Pinkerton Agency at the Library of Congress. "It was the alternating heroism and vehemence in the agency's papers regarding Siringo" that inspired the book, he says. Yet very little of that material turns up in the footnotes, which indicate instead a reliance on previously published studies and newspaper accounts.

In Homer's telling, at the end of his journey Ulysses returns home, where he reunites with his wife Penelope and takes back his rightful place as king of Ithaca. There was no such happy ending for Charlie Siringo, whose grave in Los Angeles was left unmarked for more than six decades, until a fan arranged for a headstone to be placed there in 1991. But like the hero from antiquity, Siringo lives on, thanks to the uniquely American myth of the cowboy.

Mr. Graybill is a professor of history and director of the William P. Clements Center for Southwest Studies at Southern Methodist University.

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Pious Agnosticism as a Form of Judaism

HOUSES OF WORSHIP
By Joseph Epstein

Presented with a form asking for my religion, I would check the box under "Jewish." If I were then asked whether I was Orthodox, Conservative or Reform, I would write in "none of the above" and add the initials PA for "pious agnostic." By that I mean I'm someone who has great respect for religion but hasn't been able to make the leap into true faith.

Pious agnostic suggests a contradiction, if not an oxymoron. I wonder, too, if the condition isn't inherently Jewish. A joke I heard recently makes my point:

Heshie Finkleman is talking with his friend Shmuel Koenigsberg after a recent trip to Warsaw. "In Warsaw," Heshie reports, "I met a Jew who had memorized vast stretches of the Talmud. I met a Jew who was an atheist. I met a Jew who ran a very successful furniture business. I met a Jew who was a strong socialist. I met a Jew who gave vast sums to charity. I met a Jew who was cynical about the way charities spend their money."

"Well," said Shmuel, "none of this is surprising. Warsaw after all is a big city."

"You don't understand," Heshie replied, "I'm talking

about the same Jew."

Jews seem to live comfortably with the most blatant contradictions. And so do I live as a pious agnostic. I believe I know all that is to be said against religion: from its role in fomenting wars to its exclusionary force and censoriousness. Posed against this is the incontestable fact that religion has been the font of morality, instructing humanity in what is right and wrong. No greater carrot than heaven and no larger stick than hell have ever been provided than those provided by religion.

Religious morality also happens to be pervasive. I call myself agnostic, yet I wonder if my own morality isn't ultimately based on religion. While I can't bring myself to believe that a higher power is watching and thereby judging my every move, I nonetheless find myself acting as if one were. As far as I'm able, I don't cheat, lie or harm other people, in good part out of the dread of being, somewhere down the road, made to pay for having done so. Paid to whom? That is the agnostic's great question.

I also believe in many of religion's core beliefs, among them the existence of evil. Not the evil said to be caused by a harsh upbringing, mis-

guided thought or bad influences, but pure evil, the work of the devil, out to bring misery to as many people as possible: the nightmare brought by major murderers—the Stalins, Hitlers, Maos of the world—the seemingly endless number of serial killers, the true sadists whose only true pleasure is found in another person's pain.

I'm not Orthodox or even Reform. I live comfortable with contradiction.

After all the worst has been said against religion, one can't deny the comfort it has brought. I had a neighbor, a woman 10 or so years older than I, unmarried, a former schoolteacher, a serious Catholic, who told me she wasn't in the least afraid of death. She wished to avoid a painful or sloppy end, but death itself held no fears for her, for she had a good sense of where she was going. As she told me this, I can recall feeling a stab of what I can only call faith envy.

I much like being Jewish, though my practice of Judaism is nearly nil. I don't attend synagogue, keep kosher

or observe the Sabbath. Yet—here come the contradictions again—I arranged religious circumcisions for both my sons and sent them to Hebrew school to become bar mitzvah, as I myself was by a father who also claimed to be agnostic yet gave serious sums to Jewish charities. A harsh dictum has it that you are Jewish only if your grandchildren are Jewish. I tell my grandchildren they should be proud to have been born into a superior club, one whose members have survived every persecution and social obstacle over the centuries and along the way has produced an inordinate number of the world's philosophical, scientific and literary geniuses. I feel pride in belonging to that club.

Yet some time ago, sitting in the audience of the Henry Crown Symphony Hall in Jerusalem, awaiting a concert of the Israeli Philharmonic Orchestra, I looked about and considered the possibility that everyone there was Jewish. Then, I had the odd, slightly uncomfortable thought that I prefer always to be in a minority. Another contradiction? As my people say, "Go figure!"

Mr. Epstein is author, most recently, of "The Novel, Who Needs It?"

The Tuberville-Sanders Playbook

By Larry Hogan

Partisanship obscures what the extremes of both parties have in common. It's more than they'd care to admit. Look no further than the Senate's dysfunction over what should be the standard business of voting on the president's nominations.

There has been no shortage of criticism in recent weeks of Sen. Tommy Tuberville (R., Ala.) for placing a procedural hold on high-level military nominations until the Pentagon changes its policy of reimbursing service members who travel across state lines to get abortions. According to the Defense Department, 301 generals and admirals have been placed in limbo. Regardless of what you think of the underlying issue, it's grossly irresponsible to hijack such an essential government function to

score political points.

Yet Mr. Tuberville isn't the only one guilty of this reckless behavior. Though it has gotten far less attention and scrutiny, Sen. Bernie Sanders (I., Vt.) is using the same tactic to demand price controls for prescription drugs. The most significant consequence of his vow

They're stalling vital nominations at the Pentagon and NIH to score political points.

to oppose all health nominees until the Biden administration releases a strategy to lower "outrageously high" costs has been a hold on Monica Bertagnolli's nomination to run the National Institutes of Health.

This is a nonpartisan but critically important role that

should rise above the political fray. Francis Collins, the former head of the agency, served honorably for 12 years under Republican and Democratic presidents. There's little reason to think Dr. Bertagnolli—who has successfully led the NIH's National Cancer Institute—would depart from this tradition.

Democrats have been using Mr. Tuberville as a punching bag while remaining conspicuously silent about Mr. Sanders's behavior. Sen. Elizabeth Warren (D., Mass.) touts that she has "led congressional efforts to reverse Republicans' reckless and dangerous holds." For weeks, however, she was a willing participant in the NIH hostage-taking, lifting her own hold on the nomination only late last month after Dr. Bertagnolli agreed to several of her "ethics" demands.

As a cancer survivor who

has pledged to advocate on behalf of those facing battles like my own, I find Mr. Sanders's antics disgraceful. During my last year as governor, I launched a \$216 million Maryland Cancer Moonshot Initiative to complement Mr. Biden's federal investments. At a time when we are making historic progress against cancer that can save millions of lives, the nomination of a prominent and experienced leader to head the NIH should be a cause for unity—not needless brinkmanship.

It's little surprise the American people have so little faith in Congress. Rather than work across the aisle, our elected leaders treat us to divisive political theater. Their antics aren't entertaining and must stop.

Mr. Hogan, a Republican, served as governor of Maryland, 2015-23.

OPINION

REVIEW & OUTLOOK

Biden Freezes U.S. Arctic Oil

Oil prices have climbed this week after Saudi Arabia and Russia extended their production cuts. The Biden Administration's response? Restrict U.S. oil and gas development.

The Interior Department on Wednesday canceled seven oil and gas leases in Alaska's Arctic National Wildlife Refuge (ANWR) and moved to limit development on 13 million acres in the state's National Petroleum Reserve. "President Biden is delivering on the most ambitious climate and conservation agenda in history," Secretary Deb Haaland boasted.

Its climate agenda is also the most lawless and economically destructive in history. The 2017 GOP tax reform mandated two lease sales within the Coastal Plain of ANWR. The first occurred in January 2021, and the second is required to be held before Dec. 22, 2024.

Mr. Biden on his first day in office imposed a leasing moratorium in ANWR. Now Ms. Haaland is revoking seven ANWR leases issued by the Trump Administration in January 2021. She claims to have "the authority to cancel or suspend oil and gas leases issued in violation of a statute or regulation," and that the ANWR leases include "fundamental legal deficiencies."

She points to "insufficient analysis under the National Environmental Policy Act, including failure to adequately analyze a reasonable range of alternatives and properly quantify downstream greenhouse gas emissions." NEPA doesn't require a climate analysis. The Administration has written new requirements into NEPA to scotch fossil-fuel projects.

Speaking of deficiencies, Ms. Haaland says the Administration's actions are "based on the best available science and in recognition of the Indigenous Knowledge." Last year the White House Office of Science and Technology Policy issued a memo directing agencies to "include Indigenous Knowledge as an aspect

of the best available science." No joke.

The memo encouraged agencies to consult "spiritual leaders" and condemned "methodological dogma." The "best available science" is whatever the climate lobby's high priests declare. Alaska Industrial Development and Export Authority plans to challenge Interior's cancellation of its

ANWR leases, and its religious climate dogma may not hold up in court.

Interior also claims that its proposed restrictions on oil and gas development in Alaska's National Petroleum Reserve will ensure that the "entire United States Arctic Ocean is off limits to new oil and gas leasing" to protect "habitat for wildlife." But developing America's fossil-fuel resources and protecting the environment aren't incompatible.

In any case, Vladimir Putin couldn't care less about the caribou. Russia is drilling in the Arctic and using it as a shipping route to deliver oil to China. The Administration's restrictions on U.S. Arctic oil and gas development amount to unilateral energy disarmament.

The Biden re-election campaign ran an ad during Thursday's NFL kickoff touting the President's economic agenda, including his supposed success in making the U.S. more "energy independent." Yet his Administration's relentless war on fossil fuels has left Americans more vulnerable to Mr. Putin's tender mercies and dependent on China for green energy.

U.S. gasoline prices have risen 60 cents a gallon this year as Saudi Arabia and Russia command the oil market. The Administration flogs jobs created by its green-energy subsidies, but how many more are its climate policies destroying? Employment in oil and gas extraction is 15% lower than before the pandemic.

Sorry, Mr. President, unemployed roustabouts in Alaska aren't going to be installing solar panels in the tundra.

Haaland relies on 'Indigenous Knowledge' as a legal justification.

Biden's Age Problem Isn't Going Away

Politely, gently, tangentially, CBS News has asked Vice President Kamala Harris the question that will be on the public mind in the year to come.

"You're 58 now," host Margaret Brennan waded in. "If you win a second term, as you and the President are running to do, he would be 86 at the end of it." Then the impolite political implication: "Are you prepared to be Commander in Chief?"

Ms. Harris: "Yes, I am, if necessary, but Joe Biden is going to be fine."

This is the only possible answer for someone in Ms. Harris's position. But without trying to be macabre, whether Mr. Biden really will be fine is a question for actuaries and a higher power. He's two months from his 81st birthday, and aging can go the same way Hemingway described bankruptcy: gradually and then suddenly. Ms. Harris exudes confidence, but voters aren't convinced. Even Democrats aren't convinced.

In a CNN poll this week, 76% of Americans said they were "seriously concerned" that Mr. Biden's age "might negatively affect" his ability to serve another full term, and 73% also worried about his "current level of physical and mental competence." Among Democrats and left-leaningers, the figures were 62% and 56%. Sixty percent of Mr. Biden's copartisans feared his age might

cost him the election. In head-to-head matchups with Ms. Harris atop the ticket, pollsters find that former President Trump wins.

The age problem isn't going away, and Mr. Biden isn't doing a great job of managing it. This week he began wearing a mask again, after first lady Jill Biden tested positive for Covid. Mr. Biden took off the mask Tuesday to give remarks and hang a Medal of Honor on a Vietnam veteran, before he skedaddled up the aisle.

"What we made sure to happen is that there was a brief pause—when there was a pause in the program, the President left," press secretary Karine Jean-Pierre explained. "That was done very purposefully so that, again, he wasn't—he wasn't there for too long." Whether this is prudent health advice is for Mr. Biden's doctors, and we don't mean Dr. Jill. But the country has long since moved on from Covid protocols.

Regardless of party or ideology, we wish our political leaders good health, and Mr. Biden isn't the only one who's aging. Mr. Trump is 77. Yet given Mr. Biden's public stumbles, verbal and literal, he can't exactly go on a debate stage next year and pledge not to exploit his opponent's youth and inexperience. That was Reagan's famous line against Walter Mondale in 1984 and, for the record, the Gipper was only 73.

Is Kamala Harris ready for the big desk? Voters will inevitably ask.

New York's Migrant Meltdown

Texas won't have much sympathy, but it's worth paying attention to New York City's migrant crisis as a lesson in the consequences in a progressive city of failed progressive policies. Mayor Eric Adams explained it Wednesday night in a rant for the ages.

"I don't see an ending to this. This issue will destroy New York City," the mayor said at a town hall. "We're getting 10,000 migrants a month." So far the total is 110,000, contributing to a \$12 billion budget hole that will take painful cuts to refill: "The city we knew, we're about to lose."

Posturing as a sanctuary city used to be easy for politicians a thousand miles from Mexico, but lately they're getting a taste of life along the southern border. "We have to feed, clothe, house, educate their children, wash their laundry sheets, give them everything they need, health care," Mr. Adams raged. "One time, we were just getting Venezuela. Now we're getting Ecuador. Now we're getting Russian speaking, coming through Mexico. Now we're getting western Africa."

Mr. Adams is piqued that the migrant influx has overshadowed his effort to prevent New York from spiraling into the urban anarchy of San Francisco. Has he told you about the city's war on rats? He hates rats.

"We've turned this city around in 20 months," the mayor said. "And then what happened? Started with a madman down in Texas, decided he wanted to bus people up to New York City." He's referring to Gov. Greg Abbott.

But if the migrant flood is really a "national crisis," as Mr. Adams insists, why should Texas deal with it alone? For the record, Mr. Abbott said this week that his state had bused over 13,300 migrants to New York City. That means many thousands arrive via other means, includ-

ing tens of thousands dispatched by Mr. Adams's Democratic allies in Washington.

Blaming a Republican in Texas is easier for Mr. Adams than taking on fellow Democrats. But controlling the border is President Biden's duty, and progressives in Congress are a big piece of the legislative logjam, since they oppose any policy to block any asylum

seeker from anywhere for any reason. New York Gov. Kathy Hochul is hopeless and preoccupied with begging Washington for more money to treat the symptoms while ignoring the illness.

New York City also has a legal "right to shelter." The Mayor has pushed for more flexibility on that requirement, under a decades-old consent order, and this summer the city drew up a bright yellow flier to start spreadin' the news. "There is no guarantee we will be able to provide shelter and services to new arrivals," it says. Mr. Adams has called on Washington to expedite work permits, instead of making migrants wait to apply until five months after they file for asylum. In any case, migrants still need shelter, and they keep coming.

New York's migrant meltdown is a case study in the collapse of Democratic governance when putative centrists, including Mr. Adams, refuse to confront progressive ideology. Republicans aren't blameless, and too many look at a 3.8% unemployment rate, with millions of open jobs, and conclude strangely that the U.S. has too many foreign workers.

But the current migrant crisis is on Mr. Biden's watch. He has abdicated political leadership, and the asylum laws that draw migrants won't get fixed until Democrats admit they're broken. That's the truth, whether or not the Upper West Side wants to hear it, and Mr. Adams is seething because he's beginning to worry that if nothing changes his legacy could be rats.

LETTERS TO THE EDITOR

Covid Talk Returns—Will the Rules Follow?

Reading Matthew Hennessey's "No Covid Compliance This Time Around" (op-ed, Aug. 29), I could immediately sympathize with how he feels about missing time with his dad who was dying of cancer. I lost my own father in 2019, and during Covid I was thankful that I wasn't forced to make the tough decision about whether to visit Dad and risk giving him Covid.

But I did have to decide if my family was going to see my 81-year-old mother during lockdown. Mom was widowed, living at home with part-time care, and we were losing her to dementia and a host of physical ailments. I knew that she wouldn't be with us much longer, and that her mental and physical health would suffer if her family stayed away.

The choice was simple. It was better to risk a Covid infection than to guarantee that Mom would be isolated and sad. We took precautions—not seeing Mom if someone had the sniffles, getting vaccinated, etc.—but we continued to spend time with her throughout the pandemic. In fact, we spent more time with her than ever before. No commuting, no kids' activities, no socializing with friends gave us time to be together. Even after the world reopened, most Saturday nights were spent with Mom.

Fortunately, my mother never got Covid. This would be a different story if she had. Instead, she died peacefully in her sleep in April, having spent the years since my father's death surrounded by family who loved her. I am so thankful we took the risk, and I would do it all again.

KATHLEEN KEENER LINDER
Raleigh, N.C.

Having been a caretaker for my dying husband during Covid, I am so in tune with Mr. Hennessey's adamant stance on noncompliance in the future.

Is there anything more tragic than the separation of family members for the entire pandemic, especially those who were dealing with terminal illnesses? I don't think so.

My husband would bring his blood transfusion out into the parking lot because we couldn't be together in the infusion unit, just so we could hold hands and spend time together while he was dying of acute leukemia. We were only one of many families who had to navigate this lunacy. We made a pact to circumvent as much as possible these cruel restrictions, and I have gained a new perspective of how dystopian society works by living through it firsthand. Never again.

MICHELLE MCCALLUM
Shelton, Wash.

I hope Mr. Hennessey is able to uphold his principles if virus-related mandates reappear. As a veteran of the previous Virus Era, I can attest that it's a challenge. In early 2020, I announced to anyone within earshot that I intended not to live my life in fear, choosing to flout mask and lockdown mandates.

The major price I paid was occasional nasty looks in grocery stores—from other customers rather than staff—although no one accosted or harassed me about my unmasked face. I was always prepared simply to walk out, but never had to. Another inconvenience was a federal rule, in effect from January 2021 to April 2022, requiring masks on public transit, with the result that I walked a lot.

Life presents us with cases when principle conflicts with conformity to get along, and forces us to make personal decisions accordingly. It helps to know that others share one's desire to uphold principles.

JANE JOHNSON
Ventura, Calif.

College Football Just Went Down the Tubes

Bob Greene's op-ed "Inflation Devalues the Big Ten" (Aug. 30) misses the key point: Viewership will decline because college football has become a professional minor league. I stopped watching, and once your brain catches up to the new reality, you'll stop watching too.

People don't watch college football for the quality of the game; the NFL is much better. We watch for tradition, nostalgia and our connections to universities. It's remembering the campus where you went to school or visited or, like me, tried to sneak into parties as a high-school kid.

I stopped watching when USC and UCLA announced their move to the Big Ten. I had swallowed previous breaks

with tradition, and I was almost ready to accept Penn State as a real Big Ten team, but this was different. Now, we were the bad guys. We destroyed our 100-year partner to make a little more money. USC was looking to move, but we didn't have to take them. When your best friend's girlfriend winks at you, you don't wink back.

I couldn't cheer for the Big Ten anymore. Every school approved adding USC and UCLA, ignoring tradition. They lost sight of what they were selling and assumed we would keep watching. Why should we? Without tradition, college football is simply mediocre football.

DAN GOCHBERG
Nashville

Signal U.S. Resolve Now, Before It's Too Late

Regarding Vivek Ramaswamy's letter on Taiwan (Aug. 29): A rule of statecraft is never tell your adversary what you won't do. The purpose of strategic ambiguity is to leave doubt in the mind of a potential aggressor.

How to Make a Debt Crisis Even Worse, Chinese Edition

Mickey Levy eloquently describes how China's overreliance on capital construction has unbalanced its economy and led to a looming debt crisis ("China Pays for Economic Mismanagement," op-ed, Aug. 25). He notes that while Beijing imposes mandates, it's up to cities and provinces to implement policies.

While the cities and provinces have to provide healthcare, education and social services, they have no good, reliable source of revenue. Real-estate taxes at Western levels are unknown, and there is insufficient wage income to tax. While Tier I cities can tax business economic activity, poorer cities have relied on land-lease sales.

With the property developers running out of other people's money, many cities have resorted to selling land to their own local-government financing vehicles at distorted prices. This self-dealing with already-indebted entities exacerbates the crisis.

DAVID ROBINSON
University of California, Berkeley

The Future Wasn't Mandated

Regarding your editorial "The EV Bubble Starts to Deflate" (Aug. 22): Teddy Roosevelt's administration didn't mandate the expiration of horse-drawn carriages to compel people not to buy them. In other words, they didn't shoot horses to force people to buy Ford's newfangled automobile.

SHIRLEY AND LARRY FREEMAN
Portland, Ore.

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Pepper ... And Salt

THE WALL STREET JOURNAL



"Can we at least agree to stop using the word 'unprecedented'?"

OPINION

Was Trump ‘an Officer of the United States’?

By Michael B. Mukasey

As part from the four criminal indictments brought against Donald Trump, those who would end his campaign for the presidency by means other than an election seem to be putting increasing faith in Section 3 of the 14th Amendment, known as the Insurrection Clause. That faith seems to be seriously misplaced.

A careful look at the 14th Amendment’s Insurrection Clause shows that it doesn’t apply to him.

To the extent its text is relevant here, the section in question denies to a discrete category of people—including those who have taken an oath “as an officer of the United States . . . to support the Constitution of the United States”—the right to serve as a “Senator or Representative in Congress, or elector of President and Vice President, or hold any office . . . under the United States” if they “have engaged in insurrection or rebellion against same.”

A good deal of attention has focused thus far on whether the attack on the Capitol on Jan. 6, 2021, was

an “insurrection or rebellion” and, if so, whether Mr. Trump “engaged” in it. Those questions, however, need not be answered until two preliminary questions of law are addressed: Is the presidency an “office . . . under the United States,” and was the presidential oath Mr. Trump swore on Jan. 20, 2016, to support the Constitution taken “as an officer of the United States”?

The latter question is easier. The use of the term “officer of the United States” in other constitutional provisions shows that it refers only to appointed officials, not to elected ones. In *U.S. v. Mouat* (1888), the Supreme Court ruled that “unless a person in the service of the government . . . holds his place by virtue of an appointment . . . he is not, strictly speaking, an officer of the United States.” Chief Justice John Roberts reiterated the point in *Free Enterprise Fund v. Public Company Accounting Oversight Board* (2010): “The people do not vote for the ‘Officers of the United States.’”

Article VI of the Constitution provides that senators and representatives “and all executive and judicial Officers . . . of the United States” take an oath to support the Constitution. But the presidential oath is separately provided for at the end of Article II, Section 1, which would be superfluous if the president’s oath were required by the general language in Article VI. Mr. Trump took



President Trump speaks to supporters on Jan. 6, 2021.

an oath as president pursuant to Article II, not as an officer pursuant to Article VI. Because the Insurrection Clause applies only to those who have taken an oath “as an officer of the United States,” he can’t be barred by that clause from serving in any capacity.

As for the former question, the language disqualifying a rebel from holding “any office . . . under the United States” follows the language disqualifying the rebel from office as “Senator or Representative in Congress, or elector of President and Vice President.” If “any office . . . under the United States” is broad

enough to cover the president, it is certainly broad enough to cover senators, representatives and perhaps electors. Such a reading would make reference to those specific offices superfluous.

Is it plausible that the authors of the 14th Amendment specified senators, representatives and electors but meant to include the presidency and vice presidency under the general term “any office . . . under the United States”? Note that the term is “any office,” not “any other office,” which implies that the positions listed before it aren’t “offices under the United

States,” because they are elected not appointed.

But that conclusion is uncertain. The phrase “office under the United States” appears four other times in the body of the Constitution, at least two of which—one barring office-holders from accepting a foreign title or emolument, and one barring anyone impeached and convicted from holding such an office—may well apply to an elected official, including the president. Also, if a holder of an “office under the United States” meant the same thing as “Officer of the United States,” why weren’t the same words used to specify it?

That may be puzzling, but as applied to Mr. Trump it is irrelevant, because—again—he didn’t take and thus didn’t violate an oath as an “Officer of the United States,” and so cannot be barred by the 14th Amendment from seeking re-election.

Even a criminal conviction wouldn’t bar him from seeking and winning the presidency. The Constitution specifies only that a person seeking that office be at least 35, a natural-born citizen and a 14-year U.S. resident. If Mr. Trump is to be kept from office, it will have to be done the old-fashioned way, the way it was done in 2020—by defeating him in an election.

Mr. Mukasey served as U.S. attorney general, 2007-09, and as a U.S. district judge, 1988-2006.

How the Tories Became Servants of the Welfare State

POLITICAL ECONOMICS
By Joseph C. Sternberg

British culture excels at political satire, from “Yes Minister” and the original “House of Cards” to “The Thick of It” (by the same folks who later produced “Veep” in America). Now comes Prime Minister Rishi Sunak, whose real-life administration is starting to feel like a parody of itself—for reasons that should make U.S. Republicans nervous.

Mr. Sunak’s problem is that after 13 years in power, his Conservative Party looks like the gang that couldn’t govern straight. This week’s crisis is the schools, at least 156 of which appear to be built of a dangerously unstable form of concrete. Up to 100,000 students may be affected.

Before that, it was the container barge on which the government planned to house asylum seekers. Legionella was discovered as it opened. Before that, it was the waiting list for care in the National Health Service, which has reached a length that would make Tolstoy

blush. And before that . . .

Some of this is symptomatic of the administrative fatigue and political rot that beset any party in power for such a long time. But not all of it. The Tories made a deal with the devil when they won power in 2010. Today they’re paying up.

The deal concerned spending. Prime Minister David Cameron and Chancellor George Osborne rode into office in 2010 on the back of a global financial panic that had become a fiscal crisis for the U.K. Government spending had ballooned to just above 46% of gross domestic product in the 2009-10 fiscal year, a level not seen since the mid-1970s, and the fiscal deficit was above 10% of GDP.

Believe it or not, British voters care about such things and responded well to Tory promises to get a grip on the public purse. But Messrs. Cameron and Osborne weren’t entirely candid with voters about what a true fiscal correction would require. Instead of launching a serious debate about what the government should and shouldn’t do and what it should or shouldn’t spend to do it, they promised to get

the budget under control by doing the same things as before, only more efficiently.

The centerpiece was an outsourcing boom. Whether it’s administration of the residential occupancy tax that funds local governments, the processing of visa applications, or

Their unwillingness to cut spending destroyed their image of competence. The GOP should take note.

even parts of the prison system, services the public demands of the government increasingly came to be delivered by private-sector companies—but seemingly never with the improvement in service quality one might expect.

What administrative efficiency gains there were helped superficially to reduce the size of the state. Government spending as a share of GDP fell to 39.5% by the 2019-20 fiscal year before the pandemic blowout. But the simplistic goal of limiting spending

relative to GDP that the Tories adopted in this era mainly allowed them to shift the goal posts once economic growth perked up again several years into their term. The absolute level of spending in inflation-adjusted terms was roughly 1.4% lower in 2013-14 than it had been when Messrs. Cameron and Osborne took office, but then crept upward to end the decade 3.5% higher than at the start of the Tories’ term.

The often illusory efficiency drive on some public services, plus a dollop of ultracheap money thanks to low interest rates, instead allowed the Tories to redistribute public spending toward entitlements. Social transfers to the elderly grew as a proportion of total spending to 14.5% from 13.8% between 2009-10 and 2019-20, and health spending grew to 18.5% from 16.2% as the Conservatives shoveled money into the NHS. Other government functions? Education’s share of the budget fell to 10.4% from 12.3%, defense fell to 4.8% from 5.2%, and public order dropped to 3.9% from 4.7%.

This shift has made the Tories the indentured servants of the welfare state.

Competent governance requires cash in proportion to the government’s ambitions. Having overpromised on entitlements and bumping against the limits of tolerance for more tax increases, Mr. Sunak’s Conservatives find themselves without the resources to keep basic promises the state has made to the public—such as that school buildings won’t fall down on top of students.

It’s undermining what had always been one of the Tories’ strongest selling points: administrative competence. If they lose the next election, a big part of the reason will be their twin failures to make realistic entitlement pledges and to prevent entitlements from devouring the cash necessary to fulfill their other promises.

Inevitably, a Donald Trump angle: When Mr. Trump inveighs against Social Security and Medicare reform, he threatens to ensnare the Republican Party in the same form of fiscal servitude in which British Tories are trapped. What cherished part of their political reputation might Republicans have to shred in consequence? Don’t be surprised if it’s defense.

Texas May Execute a Man Based on a Scrapped Medical Theory

By John Grisham

For a parent, nothing is worse than the death of a child. Imagine the horror, though, of being falsely accused and wrongly convicted of killing your child.

Twenty years ago, prosecutors in Anderson County, Texas, relied on a now-discredited hypothesis about “shaken baby syndrome” to convict Robert Roberson of the capital murder of his chronically sick 2-year-old daughter Nikki. Countless caregivers have been prosecuted since British pediatrician Norman Guthkelch first posited in the early 1970s that shaking a baby could cause brain bleeding and even death. Many have been convicted and sent to prison, a few even to death row. Mr. Roberson could be the first to be executed. Texas may execute an innocent man.

Mr. Roberson has autism and was a special-education student before dropping out of school in the ninth grade. He had his challenges in life, including past drug addiction that had prompted convictions for writing a hot check and burglary. But he loved being a father to Nikki.

She, too, had her challenges. Child Protective Services forced Nikki’s mother to give her up at birth. Nikki suffered from chronic and severe middle-ear infections. In late January 2002, she had a high fever and

undiagnosed pneumonia. Mr. Roberson put Nikki to bed but awoke later and found her on the floor. Mr. Roberson told police that Nikki didn’t appear to have any injuries. She was awake and talking as he tried to soothe her. Father and daughter managed to get back to sleep, but the next morning Nikki was unresponsive. Mr. Roberson brought her to an emergency room in Palestine, Texas. He told hospital staff that she had fallen out of bed, but they didn’t believe him. They didn’t know he was autistic and decided he didn’t show the proper emotions given the dire situation. Doctors transferred Nikki to a children’s hospital in Dallas, but it was too late. She died on Feb. 2.

Mr. Roberson was distraught but his nightmare was only beginning. The Anderson County District Attorney’s Office accused him of killing Nikki and sought the death penalty.

The deck was stacked against Mr. Roberson from the beginning. Accepted medical wisdom at the time was that any child with a triad of symptoms like Nikki’s—brain bleeding, brain swelling and bleeding in the eyes—had been violently shaken or hit against a surface, absent evidence of some other massive trauma such as a car accident or a multi-story fall. The medical consensus viewed the presence of the triad to

be diagnostic and considered the caregiver the culprit.

In a rush to judgment that is the hallmark of wrongful convictions, one doctor’s hunch about Nikki’s death led to Mr. Roberson’s arrest for murder. Even Mr. Roberson’s court-appointed lawyer agreed this was a “classic” shaken-baby case because, 20 years ago, the triad was considered diagnostic.

Astonishingly, a nurse claimed to law enforcement—and later in front of the jury—that Nikki had been sexually abused, even though no doctor endorsed that belief and there was no autopsy or crime scene evidence of it. The judge allowed the nurse’s testimony and prosecutors’ argument that Mr. Roberson was the kind of person capable of violently shaking a child to death. The jury agreed.

Dr. Guthkelch eventually became distressed at the aggressive misuse of his work by prosecutors. “I am frankly quite disturbed that what I intended as a friendly suggestion for avoiding injury to children has become an excuse for imprisoning innocent people,” he said in 2012 while arguing that convictions like Mr. Roberson’s should be reviewed. “We went badly off the rails.”

Slowly, belatedly, things are changing. Courts in 17 states have exonerated people convicted decades ago of murder or child abuse based on the outdated shaken-baby hypothesis. In 2016, days before Mr. Roberson was set to die, the Texas Court of Criminal Appeals returned

his case to the trial court for an exhaustive 10-day hearing. Mr. Roberson’s legal team presented six experts who showed that the outdated version of shaken-baby syndrome used at his trial has been discredited and that Nikki died as a result of her undiagnosed pneumonia, medications and accidental fall.

Autistic father Robert Roberson was wrongfully convicted of murdering his 2-year-old daughter.

To overturn his conviction, Mr. Roberson’s lawyers had to accomplish two things. First, they had to show that the science used to convict him was wrong (or that the understanding of that science had changed since his trial). Second, they needed to demonstrate that the original jury wouldn’t have convicted him if it knew then what we know now about the shaken-baby syndrome hypothesis. Mr. Roberson’s legal team did more than those two things: It produced un rebutted evidence that no homicide had in fact occurred.

Mr. Roberson’s lawyers presented a 302-page document to the court that comprehensively summarized the new evidence from the experts. Anderson County prosecutors submitted a 17-page brief that hardly

touched on the new science—instead rehashing outdated evidence and theories from the original trial in 2003. Mr. Roberson’s lawyers were surprised at the paltry offering. They were flabbergasted when Judge Deborah Evans rubber-stamped it, following the prosecution’s lead in ignoring most of the new expert testimony and all of the scientific studies showing a change in understanding of shaken-baby syndrome. Instead, the trial court’s recommendation cited the same trial testimony that had been challenged as wholly inconsistent with contemporary scientific understanding.

We expect our courts to weigh the evidence before them carefully and thoughtfully. But in Mr. Roberson’s case, and in a shocking number of wrongful convictions, judges simply agree with prosecutors and protect bad convictions despite overwhelming evidence of innocence. We should demand more from judges than a copy-and-paste job that entirely ignores changes in the scientific understanding of a case, especially when a life is on the line.

Nikki’s death was a tragedy, not a crime. Robert Roberson may be out of options unless the U.S. Supreme Court decides to hear his case.

Mr. Grisham, a novelist, serves on the boards of the Innocence Project and Centurion Ministries, organizations dedicated to exonerating defendants who were wrongfully convicted.

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Notable & Quotable: Mayor Adams on Migrants

New York Mayor Eric Adams speaking at a “community conversation” Sept. 6:

Go item for item on what Eric Adams ran on as a candidate and look at what we’ve accomplished in 20 months. We turned this city around in 20 months.

And then what happened? Started with a madman down in Texas, decided he wanted to bus people up to

New York City—110,000 migrants. . . .

And let me tell you something, New Yorkers, never in my life have I had a problem that I did not see an ending to. I don’t see an ending to this. I don’t see an ending to this. This issue will destroy New York City. Destroy New York City. We’re getting 10,000 migrants a month. One time we were just getting Venezuela. Now we’re getting Ecuador. Now we’re getting Russian-speaking

coming through Mexico. We’ve got Western Africa. Now we’re getting people from all over the globe have made their minds up that they’re going to come through the southern part of the border and come into New York City.

And everyone is saying it’s New York City’s problem. Every community in this city is going to be impacted. We have a \$12 billion deficit that we’re going to have to cut.

WORLD NEWS

Blinken Says Clearing Mines Is a Priority

Nearly a third of Ukraine's land might contain explosive hazards, Kyiv says

By WILLIAM MAULDIN

CHERNIHIV REGION, Ukraine—The work is painstakingly slow. Two explosives specialists armed with metal detectors can take more than a month to clear a plot of Ukrainian farmland about half the size of a football field riddled with mortars, artillery shells and unexploded fuses.

The pace illustrates the scale of the challenge Ukraine faces in rooting out mines that hinder its counteroffensive and clearing explosive devices from ground it retakes.

“By some estimates as much as one third of Ukraine's territory has to deal with mines or unexploded ordnance,” Secretary of State Antony Blinken said during a visit to the site in Chernihiv, not far from Ukraine's border with Belarus.

Mines in the battlefield are designed to slow Ukrainian forces and channel advancing infantry into positions where Russian helicopters, artillery and drones can pick them off.

When Kyiv launched its counteroffensive in June, Ukrainian forces trying to retake Russian-occupied territory had to navigate fields thick with mines even before they reached the main Russian defensive line. Many were killed or maimed by the hidden explosives in the process.

After retreating Russian forces pulled out of areas around Kyiv in the early days



Secretary of State Antony Blinken enters a Ukrainian bunker. He said the U.S. would provide an extra \$90 million in demining aid.

of the war, farmers in northern Ukraine said they returned to fields strewn with mines, unexploded ordnance and large craters, making an immediate return to agriculture impossible.

Returning the land to its prewar state could take years, experts say. Kyiv estimates that about 67,000 square miles of the country might contain explosive hazards and, of that, roughly 9,600 square miles is farmland.

Civilians living at the site

in Chernihiv are under threat from unexploded ordnance left after a farm building purloined by Russia for an arms depot was hit in the early days of the war. The fallout sprayed mortars, artillery shells and dangerous fuses hundreds of feet in all directions. They now stud the land where corn once grew, says Natalia Sushchenko, team leader for the Fondation Suisse de Démunage, a nongovernmental organization working to make the ground safe in the region.

She told Blinken on Thursday that the farmers have asked them to clear the land “a little bit quicker.” The U.S., seeking to lessen the war's long-term toll on the country, is providing an extra \$90 million in demining aid to fund the work of NGOs focused on the issue in the country, Blinken announced this week. It almost doubles the amount

given to clear mines in Ukraine since the country came under Russia aggression in 2014.

But the challenge remains significant given the scale of the task and the timing of the operation. Ukraine has 3,000 people qualified to carry out demining and 26 vehicles to do the job, according to Ministry of Economy figures from July, the latest available. Complicating the operation further is a lack of access to occupied

territories and the constant threat of Russian attacks.

Demining will be crucial as Ukraine looks to restore its agricultural land to contribute to international food security, said Deputy Prime Minister Yulia Svyrydenko. Roads, electrical lines, residential and recreational areas also need clearing of mines. Ukraine's state emergency service said it has inspected about 359 square miles of land and 29 square miles of water, and disabled 427,000 explosive objects. “More than 700 explosives experts and 200 pieces of equipment are involved in the work everyday,” the department said Thursday. U.S. officials say Russian shells—including so-called cluster munitions that release a group of smaller bomblets—have a relatively high “dud rate,” meaning the bomblets or other ordnance can pose a threat to civilians for years. Washington is providing Ukraine with cluster munitions to aid its counteroffensive concentrated in the country's southeast, but U.S. officials say the dud rate of those bomblets is lower and that Ukrainians are best equipped to determine what weapons they need to deter Moscow while minimizing risk to their citizens. The U.S. aid package for Ukraine announced this week also includes depleted uranium rounds, which are regularly used by the U.S. Army and are highly effective against Russian tanks. Fired at a high rate of speed, the rounds can pierce the frontal armor of a Russian tank from a distance.

—Anastasiia Malenko contributed to this article.

Pro-Ukraine Feelings Rise in Crimea

By YAROSLAV TROFIMOV

Every few days, Russian occupation authorities on Ukraine's Crimean Peninsula parade newly caught “traitors” in front of the cameras.

For some, the crime was playing Ukrainian songs in public, running a pro-Ukrainian social-media account or tying yellow cloth strips, a sign of resistance to Russian rule, to fences and trees. Others stand accused of more-serious acts of resistance: blowing up railroad tracks or gathering intelligence for Ukrainian missile and drone strikes.

While this crackdown is meant to cow pro-Ukraine residents of Crimea, it highlights a worrying fact for Kremlin occupation authorities: Despite their claims that the people of Crimea solidly stand with Moscow, many Crimeans openly yearn for a return to Ukrainian rule.

Given the degree of repression, estimating the level of such support for Kyiv is impossible. Moreover, many Ukrainians have fled Crimea since Russia annexed it in 2014, and hundreds of thousands of settlers from all over Russia moved to the peninsula, attracted by its beaches and subtropical weather.

But one thing is clear: The Kremlin's decision to launch a full-out invasion of Ukraine in 2022 has put Crimea's future back in play, with Russian rule no longer viewed by virtually all of the peninsula's residents as likely permanent.

“The pro-Ukrainian population has become more optimistic. These feelings are bursting



Russian President Putin appeared in February on a screen during his annual address to the Federal Assembly in Crimea.

to the surface,” said Borys Babin, a Crimean-born Ukrainian politician who serves as an expert at the Association for the Reintegration of Crimea.

Punishments for showing such sentiments often are severe, with prison terms and forced confessions that are broadcast on a Telegram channel called the Crimean Smersh—a reference to the Stalin-era abbreviation for counterintelligence death squads.

August's catches included a man apologizing for posting “Glory to Ukraine” on social media, another for blasting a Ukrainian song about burning a Russian tank, and three hostesses at the Alushta aquapark who danced to another Ukrainian pop tune. The women were forced to sing on camera about the greatness of Russian President Vladimir Putin.

Most of those detained aren't members of the traditionally pro-Ukrainian Crimean Tatar community, about 12% of the peninsula's population. Many are ethnic Russians who are repulsed by Moscow's militaristic autocracy and prefer a return to democracy under Kyiv's rule.

Seizing Crimea in 2014, as the Ukrainian army didn't fire a shot to resist, was a major achievement for Putin, boosting his popularity at home and whetting his appetite for other parts of Ukraine.

The peninsula was first annexed by Russia in 1783 as Empress Catherine II dismantled the Crimean Tatar state that was based there for centuries. The Soviet leadership transferred Crimea from the Russian to the Ukrainian Soviet republic in 1954, after Stalin deported all the Crimean Tatars. The Tatars

were only allowed to start returning in the waning years of Soviet rule. In 1991, even though ethnic Russians had long become a majority, some 54% of Crimea's population voted for the independence of Ukraine, and Russia recognized the peninsula as Ukrainian territory.

After another referendum, carried out under Russian occupation in 2014, purported to show a 97% support for joining Russia, Ukraine accommodated itself to the annexation even as it refused to recognize the loss of Crimea *de jure*. Until 2022, Kyiv operated border crossings between Crimea and the Ukrainian mainland, and didn't attack Russian military installations on the peninsula. With more than 500,000 Russians moving to Crimea since 2014 and well over 100,000 Ukrainian loyalists fleeing, it seemed as if Moscow's control was forever.

Not anymore. While the Ukrainian offensive toward Crimea in southern Ukraine has been slow-going, Kyiv routinely hits the peninsula with missiles, as well as naval and aerial drones. In August, a Ukrainian special-forces team briefly disembarked on the western tip of Crimea, raising the Ukrainian flag and attacking a nearby Russian military installation before withdrawing.

“Crimea is part of our territory and we have to liberate it,” Oleksiy Danilov, the head of Ukraine's national security and defense council, said recently. “Any other outcome with Crimea means preserving the situation and passing on the war to our heirs, to our children and grandchildren.”

Kyiv Loses U.K. Tank In an Attack by Russia

By ANASTASIA MALENKO AND ISABEL COLES

Russian forces struck a British tank supplied to Ukrainian forces for the first time as Kyiv pushes some of its best equipment into the southeast in search of a breakthrough.

The loss of the Challenger 2 tank, confirmed by British officials, comes as Ukraine is seeking to expand cracks in the main Russian defensive line. But multilayered defenses remain a major challenge for Ukraine's counteroffensive momentum.

After penetrating the main defensive line in the country's southeast in August, the Ukrainian military is seeking to widen the gap into a corridor for Western-supplied armored vehicles to push through. This approach builds on weeks of small-unit infantry assaults, which followed heavy losses of vehicles in the early massed-formation attacks by Ukraine. Losses have been smaller in recent weeks as the Ukrainian military sought to preserve its armor for a potential breakthrough.

Hamish de Bretton-Gordon, a defense consultant and former British tank commander, said the damaged vehicle could likely be repaired and put back into action, because its hull, turret and gun barrier appeared to be intact.

“Mines are still the big issue and hence the slow passage of the offensive,” he said. “But when they achieve a breakthrough in all lines of defense I expect the tank will

really come into its own to rout the enemy with its firepower and mobility.”

Vladimir Rogov, a Russian-installed official in Ukraine's Zaporizhzhia region, said the tank was struck on Tuesday near Robotyne, a village recently recaptured by the Ukrainians in the southeast.

A video of the Challenger 2 that was posted on social media, showing the tank in flames and enveloped in dark smoke, was verified by The Wall Street Journal and located to the vicinity of Robotyne.

Russia has played down Ukraine's latest gains and repeatedly described the counteroffensive as a failure. Russia's Ministry of Defense said its forces had four attacks near Robotyne and the nearby village of Verbove on Wednesday, destroying a tank and two American-supplied M777 artillery systems.

The loss of the tank illustrates the challenges posed by Russian mines and drones.

A British official said the tank drove into a mine before being targeted by a drone. All six crew members survived.

The Challenger is one of 14 supplied to Ukraine by the U.K. to the 82nd Air Assault Brigade, which joined the counteroffensive in August.

Watch a Video

Scan this code to watch a video of the immobilized tank in Ukraine.

TURKEY Crews Race to Save American in Cave

Rescuers are working to save an American cave explorer who fell ill while inside one of Turkey's deepest cave systems.

Mark Dickey, an experienced caver and instructor who is the chief of New Jersey's Initial Response Team, was exploring the Morca cave system in Turkey on Aug. 31 when he developed severe intestinal issues, the team said in a Facebook post.

Dickey suffered life-threatening bleeding and vomiting and couldn't leave the cave on his own, said the volunteer rescue group. He has since been at a small camp about 3,500 feet deep in the cave. The Turkish military has taken control of the rescue operation, the group said.

—Talat Ansari

RUSSIA Hacker Gets 9-Year Sentence in U.S.

A Russian national found guilty of hacking into corporate-earnings databases to steal and trade on nonpublic information about companies was sentenced Thursday to nine years in prison.

The sentence for Vladislav Klyushin, handed down by a federal judge in Boston, adds to the U.S.'s roster of Russian nationals in its possession as U.S. officials seek potential bargaining chips in a prisoner swap with Moscow for Americans, including the detained Wall Street Journal reporter Evan Gershkovich.

A jury convicted Klyushin in February of what the Justice Department described as a scheme that netted \$90 million through securities trades.

—Dustin Volz

UNITED KINGDOM Ex-Soldier Escapes London Prison

A former British soldier awaiting trial on terror charges who appears to have escaped from a London prison by strapping himself to the underside of a food delivery truck remained at large Thursday as police stepped up security checks amid concerns he could try to flee the country.

His escape has prompted extra security checks at major transport hubs, particularly in and around the Port of Dover, the main boat crossing from England to France.

Khalife, 21 years old, is accused of planting fake bombs at a military base and of violating Britain's Official Secrets Act by gathering information “that could be useful to an enemy.”

—Associated Press

WORLDWATCH



ART SCENE: French street artist JR decorated the facade of the Palais Garnier in Paris with a giant canvas depicting a huge cave. The opera house is under renovation until late 2024.

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Friday, September 8, 2023 | B1

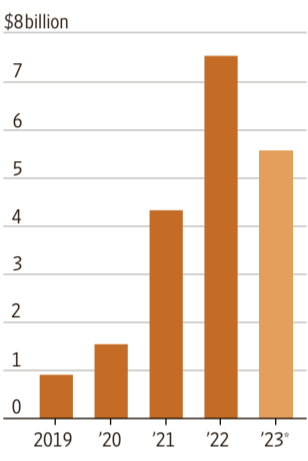
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The NFL betting season began Thursday. The Chiefs (in red) were 4.5-point favorites to beat the Lions. The over/under was 53.

Sports-Betting Leaders FanDuel, DraftKings Vie for NFL Gamblers

U.S. sports betting revenue



By KATHERINE SAYRE

The National Football League season kicked off Thursday, but the battle for gamblers had already begun among sports-betting firms.

Companies such as FanDuel and DraftKings view the NFL as the biggest opportunity to convince fans to pull out their smartphones and place bets, and some are offering increased incentives this year to lure such gamblers.

FanDuel has bumped up its sign-up promotion to \$200 in bonuses for a \$5 bet for the NFL season, up from \$150 last year. It also made a deal with Alphabet's YouTube to give its

new and existing betting customers \$100 discounts on YouTube's NFL Sunday Ticket subscriptions for a \$5 bet until Sept. 18. Sunday Ticket prices start at \$349 for people who subscribe to YouTube TV.

"The reality is, we will probably have one of, if not the most, competitive NFL seasons that the industry has ever seen," said Mike Raffensperger, FanDuel chief commercial officer.

Fanatics, the sports-merchandise company and betting newcomer, is giving \$150 in credits for team merchandise for new customers who make a bet of at least \$50. DraftKings is offering a \$200 bonus for a

\$5 bet by new customers, as it did last year.

Rivals FanDuel and DraftKings are fighting for the No. 1 position in the market. Newcomers ESPN Bet—a new partnership between Disney and Penn Entertainment—and Fanatics are introducing fresh competitive threats.

"This is the most important time of year," DraftKings Chief Executive Jason Robins said on an August call with Wall Street analysts. The company exceeded expectations in keeping NFL betting customers active into the basketball and baseball seasons, he said.

While sports-betting compa-

Please turn to page B2

Talent-Agency Giant CAA Sells Big Stake

French tycoon Pinault's family firm buys interest in \$7 billion company

French billionaire François-Henri Pinault's family investment company has agreed to buy a majority stake in Hollywood talent agency Creative Artists Agency from private-equity firm TPG, the companies said Thursday.

By Ben Dummett, Erich Schwartzel and Nick Kostov

The deal gives the Hollywood talent agency an enterprise value of \$7 billion including debt, according to people familiar with the matter. CAA is among the entertainment industry's biggest talent agencies, with a roster including stars such as Tom Hanks, Reese Witherspoon, and director Steven Spielberg.

One of France's richest men, Pinault is chief executive of luxury conglomerate Kering, which his father built through acquisitions of brands like Gucci and Saint Laurent. He effectively controls the luxury behemoth through family holding company, Artémis.

The entertainment industry has undergone a wave of consolidation in recent years, with companies including Walt Disney and Warner Bros

Discovery growing in stature, prompting talent agencies representing actors, writers and producers to seek strength through size as well. Bloomberg News earlier reported that Pinault is in talks to buy CAA.

The purchase comes roughly a year after CAA completed its acquisition of ICM Partners, a deal that combined two of Hollywood's major talent agencies at a time of tremendous change in the media landscape. CAA has positioned itself as a representation business that remains focused on agenting, arguing that its competitors have expanded into far-flung ventures that suck attention away from clients.

The deal is expected to close later this year. CAA's Bryan Lourd will become chief executive officer of the company, with Kevin Huvane and Richard Lovett serving alongside him as co-chairs.

CAA has expanded aggressively beyond film and TV representation over the last decade, particularly in professional sports. The firm represents thousands of players in football, soccer and other sports—including basketball star Devin Booker and hockey's Sidney Crosby. Its other nonentertainment clients include political figures and corporate firms.

CAA's biggest rival, Endeavor, also represents A-list Please turn to page B2

Fourth Figure in FTX Collapse Takes Plea, Admitting Conspiracy

By JAMES FANELLI

Former FTX executive Ryan Salame on Thursday became the fourth associate of company founder Sam Bankman-Fried to plead guilty to criminal charges tied to the collapse of the crypto exchange.

At a hearing in a New York federal court, Salame admitted to conspiring to make illegal political contributions, as well as conspiring to operate an unlicensed money transmission business. The guilty plea places additional pressure on Bankman-Fried as he prepares to fight fraud charges in an upcoming trial. Three other members of Bankman-Fried's inner circle have previously pleaded guilty to fraud and other offenses and are expected to testify against him at his trial starting Oct. 3.

Federal prosecutors said Salame conspired with Bankman-Fried to make tens of millions of dollars in illegal contributions to political candidates and political action committees during the 2022 election cycle. Salame told a confidant in a private message that the contributions would "weed out

anti crypto dems for pro crypto dems and anti crypto repubs for pro crypto repubs," according to the filing.

The contributions were funded by loans Salame received from Bankman-Fried's crypto-investment firm Alameda Research. Salame told U.S. District Judge Lewis Kaplan during the plea hearing that he knew the donations were illegal because the loans would eventually be forgiven. "And I never intended to repay them," he said.

Prosecutors said in a charging document that Salame, former co-chief executive of FTX's Bahamas-based unit, previously worked at Alameda and conspired to operate the firm as an unlicensed money transmitter that used its accounts to process FTX customer deposits and withdrawals.

Salame's plea agreement doesn't require him to cooperate with the Manhattan U.S. attorney, who is prosecuting FTX cases. Under the deal, Salame faces up to 10 years in prison and agreed to a \$1.5 billion forfeiture order, which represents the money involved Please turn to page B10

SEC Probes Cohen's Bed Bath Trades

By DAVE MICHAELS AND LAUREN THOMAS

The Securities and Exchange Commission is investigating billionaire Ryan Cohen's ownership and surprise sale of Bed Bath & Beyond shares at a time such meme stocks were all the rage with investors.

Cohen took a \$120 million stake in Bed Bath & Beyond

and pushed for changes to the housewares retailer's sales strategy but abruptly sold his 11.8% interest in August 2022, just days after tweeting positively about the company. The five-month investment netted him a profit of nearly \$60 million.

Cohen's interest in the company spurred a frenzy of trading that caused its stock to

soar 34% in a day before collapsing after he disclosed the sales, prior to which he had gotten three new members appointed to the board.

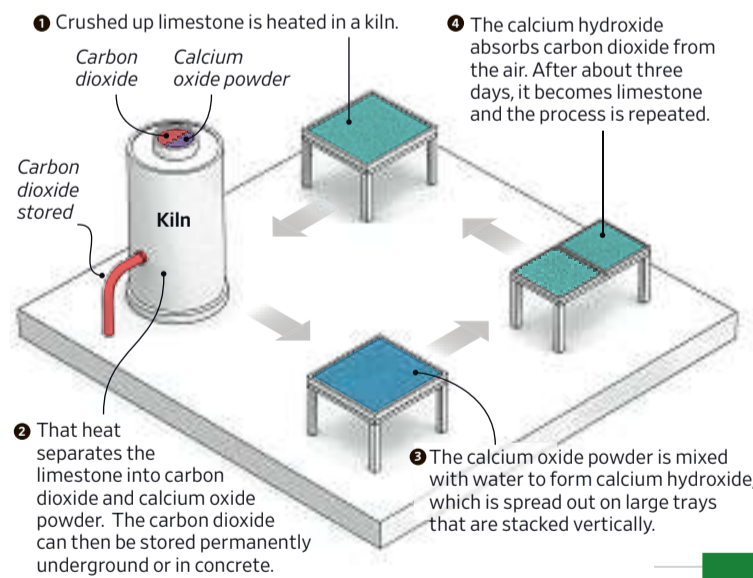
The SEC has requested information from Cohen about his trades and his communications with officers or directors at Bed Bath & Beyond, according to people familiar with the matter.

The regulator also has sought records from some of the company's current and former board members.

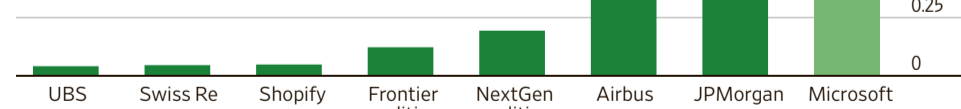
The SEC's civil investigations sometimes take more than two years and can end without the regulator bringing formal claims of wrongdoing.

Cohen founded online pet retailer Chewy and later devel- Please turn to page B10

Startup Heirloom Carbon uses low-cost limestone to absorb carbon from the air.



Amount of carbon-dioxide removal prepurchased by largest buyers*



*Data provider aggregates data from public sources and private sector
Sources: Heirloom Carbon (diagram); CDR.fyi (prepurchase)

Illustration by Jemal R. Brinson/THE WALL STREET JOURNAL

Microsoft Funds Climate Effort For Carbon-Absorbing Rocks

By AMRITH RAMKUMAR

Most of the world's efforts to remove carbon from the atmosphere use giant, vacuum-like devices that suck in air and isolate the carbon. Microsoft is funding a new approach that uses crushed limestone to achieve the same result. The tech company said

Thursday it agreed to buy credits from startup Heirloom Carbon for the removal of up to 315,000 metric tons of carbon dioxide over 10 years. That would amount to a purchase commitment of at least \$200 million based on market prices and would offset the equivalent of the annual emissions of around 70,000 gaso-

line-powered cars.

The deal will help Microsoft neutralize its carbon emissions and is one of the largest ever purchases of carbon-removal credits.

It also shows how carbon removal is quickly becoming a major industry even as the technologies are still develop- Please turn to page B2

Huawei Phones Pose New China Challenge To Apple

Apple is facing a new competitive threat in China after the country ordered some officials not to use iPhones. Hardware giant Huawei Technologies is selling a smartphone capable of ultrafast data connectivity.

By Yang Jie in Tokyo, Yoko Kubota in Shenzhen, China, and Aaron Tilley in San Francisco

The new Huawei phone, coupled with the ban, has the potential to make a significant dent in Apple's sales and once again underscores the risks global companies face as geopolitical tensions between the U.S. and China spill over into many industries.

Apple is particularly vulnerable, as most of its products are assembled in China. Chief Executive Tim Cook for years has engaged in a delicate dance to keep his company from being ensnared as the two countries have disagreed over trade and technology.

The U.S. tech company's shares fell 2.9% Thursday, adding to the stock's declines since The Wall Street Journal reported Wednesday that Please turn to page B4

◆ Heard on the Street: China faces limits in race..... B12

INSIDE



LABOR

Las Vegas hotel and restaurant workers set a vote this month on approving a strike. B3



MARKETS

Weak data about the Chinese economy put further pressure on the yuan. B11

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	F	N
Alphabet.....B1	Fanatics.....B1	Nvidia.....B11
Amazon.com.....B4,B5	Flutter Entertainment.....B2	P
AMC Entertainment.....B11	Ford Motor.....B3	Penn Entertainment.....B1
Apple.....B1,B11,B12	G	Prada.....B2
Artemis.....B1	GameStop.....B10	S
Authentic Brands.....B2	General Motors.....B3	Samsung.....B12
B	Gloent.....B2	Semiconductor Manufacturing International.....B4,B12
Bed Bath & Beyond.....B1	H	Shein.....B2
Bench Dogs.....A4	Huawei Technologies B1,B12	Simon Property.....B2
Blue Owl Capital.....B10	J	Spotify.....B5
Bridgepoint.....B10	Johnson & Johnson.....B5	Stellantis.....B3
C	K	T
Caesars Entertainment.....B3	Kenvue.....B5	Taiwan Semiconductor Manufacturing.....B12
Charter Communications.....B11	L	T-Mobile.....B12
D	LVMH Moët Hennessy	W
Daiwa Securities.....B10	Louis Vuitton.....B2	Walmart.....A1
DraftKings.....B1	M	Walt Disney.....B1,B11
E	Mercer.....A1	Wells Fargo.....B10
Elliott Management.....B4	Meta Platforms.....B4	Willis Towers Watson.....A1
Endeavor.....B1	MGM Resorts International	Wynn Resorts.....B3
Energy Capital Partners.....B10	Microsoft.....B1,B11	

INDEX TO PEOPLE

A	Hughes, Raoul.....B10	Pinault, François-Henri.....B1
Andreessen, Marc.....A9	Huvane, Kevin.....B1	R
B	Ikeda, Hiroki.....B10	Raffensperger, Mike.....B1
Bankman-Fried, Sam.....B1	J	Reeder, Tyler.....B10
Bassuk, David.....A6	Jackson, William.....B10	Robins, Jason.....B1
Bilicic, George.....B12	K	Roth, Yoel.....A9
Blitz, Steven.....A2	Kimmelman, Doug.....B10	S
C	L	Salame, Ryan.....B1
Cohen, Ryan.....B1	Labbat, Pete.....B10	Samala, Shashank.....B2
Cook, Tim.....B1	Ladner, Scott.....B11	Scharf, Charlie.....B10
D	Lanza, John.....B10	Schofield, Hannah.....B10
Detrick, Ryan.....B11	Lazar, Nancy.....A2	Seiple, Chris.....B12
Dorsey, Jack.....A9	Lourd, Bryan.....B1	Sherman, Stephanie.....B2
E	Lovett, Richard.....B1	Sievert, Mike.....B12
Edwards, Anthony.....B10	M	Singh, Nishad.....B10
Ek, Daniel.....B5	Maier, Jon.....B11	Skold, Dan.....B10
Ellison, Caroline.....B10	Mitchell, Elizabeth.....A4	W
Ewing, Chuck.....A6	Moffett, Craig.....B12	Wang, Gary.....B10
F	Musk, Elon.....A1	White, Jason.....B2
Finkler, Jordan.....B10	N	Wolk, Joseph.....B5
H - I	Neumann, Frederic.....A7	Y
Holtz, Stan.....B10	P	Yaccarino, Linda.....A1
	Park, Winnie.....B2	Yang, Martin.....B4



Forever 21's new 32-piece Barneys New York collection is designed to echo the late department store's cool sensibility.

Barneys New York Lives On As a Forever 21 Fashion Line

By CHAVIE LIEBER

Barneys New York was always more than a department store. With a flagship on Manhattan's Madison Avenue and a dozen more locations across the U.S., it was a beacon of luxury and cool, where the world's Carrie Bradshaws went to desire and dream.

Today, the Barneys brand stands for licensed goods. Since the company filed for bankruptcy in 2019 and was sold for parts in 2020, its name has appeared on creams, serums and fragrances sold at Saks Fifth Avenue. Now it is entering the fast-fashion lane.

On Thursday, Forever 21 released a Barneys New York collection. It includes suiting blazers and trousers, oxford button-downs and turtlenecks, denim jackets and pants, and leather and faux-cashmere outerwear.

The 32-piece collection echoes the cool and effortless Barneys sensibility, said Forever 21 CEO Winnie Park, with "wardrobe essentials that stick around and have longevity." The collaboration will be available online and at some 200 Forever 21 stores timed to New York Fashion Week.

"It's great timing because we can play up a brand that is identifiable and iconic, and also symbolizes quiet luxury," said Park.

Both Barneys New York and Forever 21 are owned by brand-management company Authentic Brands Group which acquired the intellectual

property of Barneys for \$271.4 million in October 2019, and bought Forever 21 in February 2020. Forever 21 is operated by SPARC, a joint venture with Authentic Brands Group, Simon Property Group and Shein.

Since the acquisition, the Barneys IP has been licensed to rival department store Saks Fifth Avenue. Authentic also licensed the name to the South Korean company Gloent Group last September to launch Barneys skin care. Later this year, the company will also debut luxury rental units in Tulum, Mexico, under the Barneys New York brand name, according to the company. That deal is in partnership with resident company Sequence, a subsidiary of the Partner Group, a real-estate development company.

Barneys holds a powerful place in the imagination of fashion fans.

The department store helped put independent designers on the map and is where many young shoppers made their first luxury purchases. But nostalgia for its heyday couldn't sustain enough commercial appeal to keep stores open.

Park said she approached Authentic last year with the idea for the collaboration using the Barneys New York label.

The pieces in the collection are all unisex and range from \$29.99 to \$129. They were designed by a team of Forever 21 designers, whose work experience spans from Prada and Valentino to Guess? and Topshop, Park said. The team combed through Barneys archive pieces and studied campaigns from the late '90s and early 2000s, which showed models in oversized suiting and minimal jewelry.

Candice Lapin, a 40-something entrepreneur and education startup CEO, remembers taking her first paycheck at Barneys in 2003 to buy herself clothing. She heard about the store from a friend's stylish mom. Once she set foot inside, she was struck by how well curated its selection was.

"They picked smaller brands, so no one knew what you had on unless they were smaller brands, so no one knew what you had on unless they were smaller brands," Lapin said. "It was for women who didn't want brands that every other store had, because Barneys was very selective."

Lapin said her first pair of luxury heels—two-inch Manolo Blahnik mules—were from Barneys, and so are her favorite shoes and trousers. She spoke wistfully of its infamous warehouse sale, where shoppers could find indie designers and luxury labels at rock-bottom prices.

"The Barneys warehouse sale was the most addictive, most exhilarating experience," Lapin said. "You'd just walk in, and you would grab."

Samantha Chen, a 37-year-old fashion merchandising director, said Barneys was highly aspirational within her professional circles. She recalled buying a pair of Miu Miu flats at the store on sale. They were a half-size too small, but she couldn't resist. She said she once made a boyfriend buy her a pair of brocade Dries van Noten sandals from the store. The fabric was wacky and the boyfriend is long gone, but the shoes are still a closet favorite, she said.

"Barneys had a sense of whimsy, of not taking yourself too seriously," Chen said. "It wasn't just screaming logos. It carried things you'd never think to put together."

For shoppers like Chen and Lapin, the void Barneys left has yet to be filled. Lapin said she surfs across five different websites just to feel like she has gotten the same breadth of curation. Chen said she mainly shops off of what she sees on Instagram and on Zara.

Both said they hadn't shopped at Forever 21 recently. But they said the Barneys New York label would get them to consider doing so.

"I've liked other fashion collabs, like the H&M ones, but then you hear about the amount of people shopping for them," said Chen. "I can't fight people in line. I'm too old for that."

Barneys holds a powerful place in the imagination of fashion fans.

CAA Sells Majority Stake

Continued from page B1 stars but has diversified more broadly in recent years ahead of a 2021 initial public offering. Its holdings include the UFC mixed martial arts league

and the WWE, which earlier this year the company said it was merging into a separate publicly listed company.

The Pinault deal comes months into a dual Hollywood writer and actors' strike that has shut down production of new TVs and movies after the unions failed to reach a new labor contract with studios.

Buying a stake in CAA will help Pinault's holding company diversify beyond Europe and its core investments in the luxury-goods in-

dustry. It could also help Kering, the luxury-goods giant, go toe to toe with its larger competitor, LVMH, in cashing in on the growing overlap between the worlds of luxury and entertainment.

LVMH, which owns such brands as Dior and Tiffany, has struck partnership deals with celebrities including Beyoncé and recently brought musician Pharrell Williams aboard as creative director of menswear at Louis Vuitton.

Artémis's holdings also in-

clude auction house Christie's, French weekly magazine Le Point and a stake in German sports and goods maker Puma.

The deal by the Pinault family's Artémis comes as Kering has itself been pursuing acquisitions to expand its beauty division.

Kering said earlier this summer that it is buying luxury cologne maker Creed, which counted King George III among its clients.

—Sam Schechner contributed to this article.

Firms Vie For NFL Gamblers

Continued from page B1 nies offered richer incentives in the earlier days of mobile gambling, they are now under pressure from investors to turn a profit after spending hundreds of millions of dollars on marketing over the past five years.

The companies are trying to strike a balance this season by offering enticing bonuses but not overspending.

DraftKings in its most recent quarter claimed a 35% market share in the states where it operates, the company's highest since 2020. Marketing dollars will continue to target acquiring new customers, including the bonus for bets, said Stephanie Sherman, the company's chief marketing officer.

In August, the Boston-based company reported its first profitable quarter and improved its full-year guidance to a narrower loss in adjusted earnings before interest, taxes, depreciation and amortization. DraftKings reported about \$73 million in adjusted Ebitda for the quarter ended June 30 and projects a loss of between \$190 million and \$220 million for the year.

FanDuel, owned by Flutter Entertainment, generated \$100 million in adjusted Ebitda for the first half of the year. FanDuel expects that to increase to between \$120 million and \$240 million by the end of the year, with net revenue of \$4.5 billion to \$4.9 bil-

lion. FanDuel had 47% market share in the most recent quarter.

Fanatics is a latecomer to the sports-betting race after launching an app this year. It recently acquired the U.S. assets of sports-betting company PointsBet. For its first NFL season, Fanatics will offer sports wagering in 11 states, and in some states the app will operate under the PointsBet brand during the transition.

Fanatics wants to cultivate a loyal betting audience from its database of about 100 million customers with a rewards program for more bets and merch. The privately held company has said it plans to invest \$1 billion to build a sports-betting operation. "We're in this for the long haul," said Jason White, chief marketing officer for Fanatics Betting and Gaming. "We're not trying to rush into winning this year."

The playing field is rapidly evolving for sports-betting companies. Sports betting has been legalized in 38 states and the District of Columbia, a rapid expansion after the Supreme Court cleared the way for the industry in 2018.

Mobile sports betting launched this year in Ohio and Massachusetts, while mobile betting is expected to begin in Kentucky in late September. It remains illegal in several big states, including California and Texas.

Last year, sports wagering generated \$7.6 billion in revenue, the amount companies receive after paying out winning bets. This year, revenue is projected to grow to \$11.8 billion, according to Eilers & Krejcik Gaming, an industry consulting firm.

Rocks Help Microsoft Cut Carbon

Continued from page B1 ing. Business leaders such as Microsoft and JPMorgan Chase and governments are funding a range of approaches, including burying carbon-rich plant material and tweaks to the ocean's chemistry that increase carbon absorption.

Heirloom was selected a few weeks ago as a potential recipient of hundreds of millions of dollars from the U.S. government as part of a 2021 infrastructure law program to kick-start the industry. Some of Microsoft's purchase agreement is tied to Heirloom's work in a government-funded hub in Louisiana, illustrating how the federal funding is accelerating the sector's devel-



Heirloom Carbon hopes to use the deal to raise more money. Its laboratory in Brisbane, Calif.

opment. It is the first new credit-purchase tied to the government projects.

"All of these different components are really what you need to see this industry take shape," said Shashank Samala,

Heirloom's chief executive. "It's been pretty crazy momentum for the company."

Founded in 2020, Heirloom hopes to use the Microsoft deal to raise money from investors to build its first large-

scale project later this year. The startup will have to contribute funding equivalent to the government grants for the Louisiana effort, which will take much longer. Limestone naturally ab-

sorbs carbon. Heirloom accelerates the natural process so it takes days instead of years. To remove carbon from the air, the company warms up crushed limestone in a kiln heated to about 1,650 degrees Fahrenheit and powered by renewable electricity. That heat separates the carbon dioxide, which is stored underground or in concrete, and leaves a chemical powder called calcium oxide.

That powder is then combined with water to become calcium hydroxide and spread onto trays the size of large desks or picnic blankets. Outside, the calcium hydroxide puffs up like a cookie in the oven as it absorbs carbon dioxide over about three days. The resulting limestone can go back into the kiln to restart the cycle.

Brisbane, Calif.-based Heirloom first used the process to remove a few grams of carbon from the air, then gradually stepped up to removing metric tons. It soon hopes to be

removing thousands of metric tons. The goal is to bring down costs faster than competitors through the use of low-cost limestone.

Early this year, the company said carbon it removed from the air was successfully stored in concrete by a Canadian startup called CarbonCure, an industry first. Carbon is typically stored underground in oil-and-gas wells or underground rock formations, but CarbonCure and other companies say an alternative is storing it in concrete, which also makes the product greener.

In the government-backed Louisiana project, Heirloom's limestone would be used alongside vacuum-like devices from European competitor Climeworks. The carbon would be stored underground by a company called Gulf Coast Sequestration.

Climeworks raised \$650 million privately from investors last year, the largest such fundraising for a carbon-removal startup.

BUSINESS NEWS

Las Vegas Hotel Staff to Vote on Strike Approval

Unions for Las Vegas Strip workers have set a date for a citywide strike vote later this month that, if approved, could lead to more than 50,000 housekeepers, bartenders and other staff walking off the job.

Members of the Culinary and Bartenders Unions will cast ballots on Sept. 26. A majority vote would authorize a potential future strike.

Among other issues, workers want lighter workloads and an increase in on-the-job security protection, the unions said. They are also bargaining for a wage increase.

A majority of the workers are employed in the hotels, casinos and restaurants on the Las Vegas Strip or in downtown Las Vegas.

The affected properties include casino-resorts handled or owned by Caesars Enter-

tainment, Wynn Resorts, and MGM Resorts International as well as hotels that don't have on-site gambling.

A Wynn Resorts spokesman declined to comment on the vote. Requests for comment to other hotels weren't returned.

The Culinary Union, the largest labor union in Nevada, and the Bartenders Union, which together represent the 53,000 workers whose contracts are up for negotiation, said they would continue to bargain with hotel and casino companies ahead of the strike vote.

The Culinary Union has called a strike vote as part of contract talks in the past, most recently in 2018. That year a strike was authorized by the membership, but a walkout was avoided with a five-year contract that expires this year.

—Ginger Adams Otis



WADE WANDERVORT/LAS VEGAS SUN/ASSOCIATED PRESS

GM's Latest Counteroffer to UAW Shows Gap Remains

By NORA ECKERT

General Motors delivered a counteroffer to the United Auto Workers union Thursday that shows the sides remain far apart on pay and other benefits, one week out from a strike deadline.

The Detroit carmaker offered a 10% wage increase among other benefits, far short of the UAW's demand of at least a 40% wage increase. The offer follows a similar one from Ford Motor last week, which called for a 9% wage increase. Both companies proposed additional inflation-protection payments and signing bonuses totaling more than \$16,000.

UAW President Shawn Fain in a statement called the GM proposal insulting and said the company is wasting union members' time. Last week, Fain responded similarly to the proposal from Ford.

Jeep-maker Stellantis is planning to deliver its coun-



UAW President Shawn Fain marching in the Labor Day Parade in Detroit.

ing out in a much more public way than during past talks. Fain, who was elected earlier this year, has broadcast specifics of company proposals directly to members in weekly livestreams, and the automakers have posted details to their websites. The back-and-forth is a departure from traditional behind-closed-doors bargaining practices.

Since becoming UAW president in March, Fain has done away with much of the traditional UAW bargaining playbook. To formally kick off contract talks, he bypassed the ceremonial handshake with company CEOs and instead met with workers.

Fain also has opted to not select any one company as the union's negotiating target, doing away with the traditional UAW strategy of hammering out a deal with one company to serve as a template for the other two. That approach makes a walkout at all three automakers a

possibility once contracts expire next week.

Some auto executives have called Fain's actions theatrical, especially when he tossed an early proposal from Stellantis into a trash can during a livestream.

The union has rallied members through practice picket events around factories in different states, many of which Fain has attended. Those gatherings are slated to continue over the coming week.

The UAW filed complaints last week with the National Labor Relations Board citing unfair labor practices by GM and Stellantis, saying the two companies were bargaining in bad faith and delaying negotiations.

Both companies said they were surprised by the charges and denied the allegations. Stellantis called the complaint frivolous and a distraction, and GM said it was an insult to the bargaining committees.

teroffer to the union by the end of the week, a spokeswoman said on Wednesday.

The three companies face a deadline of Sept. 14 at 11:59

p.m. to reach tentative agreements with the UAW on a new four-year contract. Fain has said the union is prepared to strike at any of the three com-

panies that haven't reached a deal by that date, potentially taking 146,000 factory workers off the job.

The negotiations are play-

PAID ADVERTISEMENT

NETJETS

“

I came to NetJets after working for a rival company, and what I am seeing play out at this property is something I have experienced before: When an air transportation provider treats its pilots as expendable resources, chipping away at standards that ensure they are prepared to support an operational environment that leaves little room for error, you very quickly decide it is not the kind of place to build a career.

What is happening at NetJets is no secret.

Flying for NetJets was once a highly prized job opportunity discussed by pilots in crew lounges across the country. It had an air of illustriousness that exuded first class and refinement. That status has vanished, and those conversations have long since ceased.

”

~ Former NetJets pilot hired in 2019 who recently accepted a position with a legacy carrier



NETJETS executives are **IGNORING** the **ALARMING** implications of the sustained pilot labor **CRISIS**. Indeed, as **COMPETITION** for **PILOT TALENT** intensifies, NetJets has buried its head in the sand, **JEOPARDIZING** the product that has long distinguished the **GLOBAL LEADER** in private air transportation.



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TECHNOLOGY

WSJ.com/Tech



A clip from the campaign shows English soccer player Marcus Rashford using VR to stay connected to the pitch while injured.

Meta's Ad Blitz Proclaims Virtual Reality Already Here

Effort departs from previous sci-fi depictions of a full-fledged metaverse

By KATIE DEIGHTON

New ads from **Meta** Platforms replace earlier campaigns' visions of a futuristic metaverse with scenes depicting virtual reality as a real, present-day and even prosaic technology.

In one video from the campaign, which is dubbed "The Impact Is Real," welders practice welding with virtual metals, doctors rehearse surgeries on virtual eyeballs, and the English soccer player Marcus Rashford uses VR to stay connected to the pitch when recovering from an injury.

Meta hopes the campaign, which is slated to run in the U.S. and Europe across television, podcasts, email newsletters and print, will pique the interest of software developers in various sectors who may not have considered using virtual or augmented real-

ity, according to Rob Sherman, Meta's vice president overseeing policy at its Reality Labs unit. Internal research found that too many people still associate virtual reality purely with videogaming, Meta executives said.

But the campaign also aims to remind executives, governments and general consumers that virtual reality is already being used in the real world for critical purposes, he said. "This is technology that exists now, it's not science fiction," Sherman said. "It's important for us to be transparent and help people see what our vision is, so they can anticipate it and participate."

The ads represent a change of tack in Meta's ongoing efforts to sell its grand vision of the metaverse to investors, governments, business customers and consumers, many of whom remain skeptical the company was wise to bet its valuation on a future society's appetite for virtual and augmented reality technologies.

The campaign also comes as generative AI has come to dominate headlines as the new

tech of the moment.

Both user numbers of Meta's Horizon Worlds metaverse app and sales of Meta's Quest headsets have remained low, despite previous attempts to peddle the metaverse through advertising.

Meta's 2022 Super Bowl ad, which was released months after it placed its chips on the concept of the metaverse by officially changing its name from Facebook, featured an out-of-work animatronic singing dog who reconnected with his bandmates via a Meta Quest headset and Horizon Worlds.

The company later that year struck a more serious tone with "The Impact Will Be Real," an ad campaign that showed how metaverse technology may be used by students and academics in the coming decades.

"Meta had really come out initially with a big push that felt futuristic, and I think realized that the market particularly here in the U.S. is not quite ready for the vision that they painted," said Greg Kahn, an investor and adviser working in technology and marketing.

Focusing on the commercial aspects of the metaverse may open doors to less exciting but potentially more lucrative uses of the technology, Kahn said.

Previous metaverse-focused campaigns weren't unsuccessful, Meta executives said, adding that return on such investments aren't usually measured in unit sales but in metrics such as brand sentiment. The new strategy instead represents the next chapter in the story Meta has been trying to tell since it rebranded in 2021, Sherman said.

"At the time, we articulated an end state 10 to 15 years out of what we thought this technology would do to transform the way that people interact in our society," he said. "Two years out, what we wanted to do is use this moment to look at the progress that the ecosystem has made."

Watch a Video



Scan this code for a video on tech CEOs' efforts to create a 'super app.'

Nielsen to Exclude Amazon's 'Thursday Night Football' Data

By JOE FLINT

Nielsen said it wouldn't include viewership data for "Thursday Night Football" from **Amazon.com's** Prime Video streaming platform in its ratings reports for now, because the move wasn't approved by the independent body in charge of setting measurement standards.

The decision is a blow to Amazon and the National Football League, which had lobbied Nielsen aggressively to include first-party data for "Thursday Night Football," and a win for other networks that carry the NFL and fought against the change.

A spokesman for Amazon declined to comment. The NFL said it supports Nielsen's efforts to add additional insights to strengthen and provide a more accurate measurement.

"Our work with Nielsen on the integration of first party data sources into its national measurements is ongoing," said the Media Rating Council, which sets measurement standards and blesses Nielsen data. "MRC has not accredited these, and the official status remains 'in process.'"

Amazon wanted its data included because its own research showed viewership was nearly 18% higher for "Thursday Night Football" last season than Nielsen's own numbers. Nielsen cur-

rency is what advertisers use to determine commercial rates for programming.

Nielsen was eager to include Amazon data, saying last month that it would "more accurately reflect the growing impact of streaming" and that measurement needed to evolve. It was to be the first time Nielsen would use a company's own data along with its independent research to publicly report ratings.

Networks including Disney's ESPN, Paramount Global's CBS and Fox all publicly expressed concern about Nielsen's plans to incorporate Amazon data after a Wall Street Journal article on the matter.

Nielsen, which is owned by **Elliott Management**, isn't closing the door on the concept, saying its goal is to continue moving forward in its plans to eventually incorporate first-party data and addressing the concerns raised by other networks.

The networks were concerned that not enough analysis was being done before greenlighting the use of Amazon's own data and that the process was being rushed. The networks also took issue last season with Amazon publicizing its own internal ratings that weren't given a greenlight by Nielsen.

"We remain committed to adhering to the MRC's measurement standards," Nielsen said Thursday.



The move is a win for other networks that carry NFL games.

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PUBLIC NOTICES

UNITED DISTRICT COURT SOUTHERN DISTRICT OF FLORIDA
CASE NO.: 1:20-cv-21964-GMA

SECURITIES AND EXCHANGE COMMISSION,
Plaintiff,
v.
TCA FUND MANAGEMENT GROUP CORP., and TCA GLOBAL CREDIT FUND GP, LTD.,
Defendants, and
TCA GLOBAL CREDIT FUND, LP, TCA GLOBAL CREDIT FUND, LTD, and TCA GLOBAL CREDIT MASTER FUND, LP,
Relief Defendants.

NOTICE OF PROCEEDINGS TO APPROVE: (1) SETTLEMENT AMONG RECEIVER, CLASS PLAINTIFFS, FORMER OFFICERS AND DIRECTORS; AND (2) BAR ORDER

PLEASE TAKE NOTICE that Jonathan E. Perlman, Esq., as the Court-appointed receiver (the "Receiver") over Defendants TCA Fund Management Group Corp. and TCA Global Credit Fund GP, Ltd., over Relief Defendants TCA Global Credit Fund, LP, TCA Global Credit Fund, Ltd., and TCA Global Credit Master Fund, and over TCA Global Lending Corp (collectively the "Receivership Entities") in the above-captioned civil enforcement action (this "SEC Action"), has filed a request for approval of a proposed settlement by and among the Receiver, Todd Benjamin International, Ltd. and Todd Benjamin ("Class Plaintiffs"), and individuals Robert Press, Alyce Schreiber, William Fickling III, Tara Antal, Bruce Wookley, and Bernard Sumner (collectively, the "Former Officers and Directors").

The proposed settlement settles all claims that were and could have been asserted against the Former Officers and Directors by the Receiver and the Class Plaintiffs, with such settlement expressly conditioned on the Court approving the Settlement Agreement and including in the order approving such Settlement Agreement a provision permanently barring, restraining and enjoining any person or entity from pursuing claims, including claims you may possess against any of the Released Parties, excluding Robert Press, relating to the SEC Action or otherwise relating in any way to any of the Receivership Entities, or which arise directly or indirectly from the activities, omissions, or services, or alleged activities, omissions, or services of the Former Officers and Directors in connection with the Receivership Entities, to the broadest extent permitted by law (the "Bar Order").

PLEASE TAKE FURTHER NOTICE that the material terms of the Settlement Agreement are the Former Officers and Directors shall pay with the funds remaining under a \$5 million Policy insuring TCA's officers and directors, less a maximum of \$100,000 for future defense costs, in exchange for broad releases from the Class Plaintiffs, the Receiver, and the Receivership Entities, and entry of the Bar Order.

PLEASE TAKE FURTHER NOTICE that copies of the Settlement Agreement; the Motion for (i) Approval of Settlement between Receiver and Class Plaintiffs and the Former Officers and Directors; (ii) Approval of Form, Content, and Manner of Notice of Settlement and Bar Order; (iii) Entry of Bar Order; and (iv) Scheduling a Hearing, with Incorporated Memorandum of Law [ECF No. 369] (the "Motion"), the proposed Bar Order and other supporting and related papers, may be obtained from the Court's docket in the SEC Action or from the website created by the Receiver (www.tcafundreceiver.com).

PLEASE TAKE FURTHER NOTICE that the final hearing on the Motion, at which time the Court will consider final approval of the Settlement Agreement (including the grant of the releases and the issuance of the Bar Order) before the Honorable Cecilia M. Altonaga, at the Wilkie D. Ferguson, Jr. United States Courthouse, 400 North Miami Avenue, Room 13-3, Miami, Florida, 33128, at 8:00 a.m. on Wednesday, October 25, 2023 (the "Final Approval Hearing").

Any objection to the Settlement Agreement, the Motion, or any related matter, including, without limitation, entry of the Bar Order, must be filed, in writing, with the Court in the SEC Action, on or before the Objection Deadline (defined below) and served by email and regular mail, on the following:

<p>The Receiver:</p> <p>Gregory M. Garno, Esq. VENABLE, LLP 100 S.E. Second Street, 44th Floor Miami, Florida 33131 Tel: 305.349.2300 Email: gmgarno@venable.com Counsel for the Receiver</p> <p>Class Plaintiffs:</p> <p>Jason Kellogg, Esq. LEVINE KELLOGG LEHMAN SCHNEIDER + GROSSMAN LLP 201 S. Biscayne Boulevard, Suite 2200 Miami, FL 33131 Tel: 305-403-8788 Email: JK@LKL56.com</p> <p>Former Officers and Directors:</p> <p>Steven Jeffrey Brodie, Esq. CARLTON FIELDS 2 Miami Central 700 NW 1st Avenue, Ste. 1200 Miami, Florida 33136-4118 Tel: 305.539.7302 Email: sbrodie@carltonfields.com</p>	<p>Scott L. Silver, Esq. SILVER LAW GROUP 11780 W. Sample Road Coral Springs, Florida 33065 Email: ssliver@silverlaw.com Co-Counsel for Class Plaintiffs</p> <p>Carl Schoeppl, Esq. Schoeppl Law, P.A. 4651 N. Federal Highway Boca Raton, Florida 33431 Email: carl@schoepplaw.com Co-Counsel for Former Officers and Directors</p>
--	--

NO LATER THAN Monday, September 25, 2023 (the "Objection Deadline"), any objection to the Settlement Agreement, the Motion, or any related matter must be filed with the Court and such objection must be made in accordance with the Court's Order (i) preliminarily approving settlement between Receiver, Class Plaintiffs, and the Former Officers and Directors; (ii) approving form and content of notice, and manner and method of service and publication; (iii) setting deadline to object to approval of settlement and entry of bar order; and (iv) scheduling a hearing [ECF No. 371] (the "Preliminary Approval Order").

PLEASE TAKE FURTHER NOTICE that any person or entity failing to file an objection on or before the Objection Deadline and in the manner required by the Preliminary Approval Order will not be heard by the Court, will be deemed to have waived the right to object (including any right to appeal) as well as to appear at the Final Approval Hearing, and will be forever barred from raising such objection in this action or any other action or proceeding, subject to the discretion of this Court. Those wishing to appear and present objections at the Final Approval Hearing must include a request to appear in their written objection. If no objections are timely filed, the Court may cancel the Final Approval Hearing without further notice.

This matter may affect your rights. You may wish to consult an attorney.

###

¹ Defined terms used but not defined in this Notice are more fully defined in the Settlement Agreement or in the proposed Bar Order attached as Exhibit 2 thereto.

ANNOUNCEMENTS

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PUBLIC NOTICES

THE HIGH COURT
COMMERCIAL
RECORD NO. 2023 NO. 26 COS
IN THE MATTER OF HORIZON THERAPEUTICS PLC
AND
IN THE MATTER OF SECTIONS 449 TO 454 OF THE
COMPANIES ACT 2014
AND
IN THE MATTER OF THE IRISH TAKEOVER PANEL
ACT 1997

NOTICE is hereby given that pursuant to an Order of the High Court of Ireland dated 23 January 2023, a meeting (the "Scheme Meeting") of the shareholders of Horizon Therapeutics plc ("Horizon") that will be the subject of the proposed scheme of arrangement (the "Scheme Shareholders") between the Company and the Scheme Shareholders (the "Scheme of Arrangement") for the purpose of their considering, and voting on, a resolution proposing that the Scheme of Arrangement in its original form or with or subject to any modification(s), addition(s) or condition(s) approved or imposed by the High Court be agreed to (the "Scheme Resolution") was held on 24 February 2023 at 10:30 a.m. (GMT) at Horizon Therapeutics plc, 70 St. Stephen's Green, Dublin 2, D02 E2X4, Ireland and the Scheme Shareholders passed the Scheme Resolution at the Scheme Meeting without modification.

NOTICE is hereby further given that consequent upon an application made to it by Horizon on 5 September 2023, the High Court of Ireland has directed that an application by Horizon for an order pursuant to section 453(2) of the Companies Act 2014 (as amended) sanctioning the Scheme of Arrangement shall be heard by the High Court of Ireland at 11.00 a.m. (Irish Time) on Thursday, 5 October 2023 at the Four Courts, Inns Quay, Dublin 7, Ireland (the "Application"). The High Court of Ireland has directed that the Application shall be taken place both physically and remotely.

Dated 8 September 2023
MATHESON LLP
Solicitors for Horizon Therapeutics plc
70 Sir John Rogerson's Quay
Dublin 2
Ireland

Note: Any person who intends to appear at the Application must notify Horizon's solicitors, Matheson LLP, 70 Sir John Rogerson's Quay, Dublin 2, Ireland (quoting reference BC/KR 668098/20) in writing not later than 5.00 p.m. (Irish Time) on Monday, 2 October 2023 of that person's or persons' intention to appear at the Application and must indicate to the said solicitors whether such person or persons intend to support or oppose the Application and must serve any affidavit evidence on which that person or persons intend to rely on Horizon's solicitors by that date and time. Remote connection details for the Application can be obtained from Horizon's solicitors, Matheson LLP, by emailing Brendan.Colan@matheson.com

This notice is placed at the order of the High Court of Ireland dated 5 September 2023.

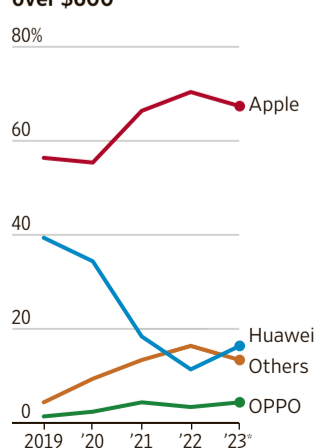
Huawei Challenges Apple

Continued from page B1
China ordered officials at central government agencies not to use Apple's iPhones or bring them into the office.

The iPhone maker has dominated China's high-end phone market in recent years after tough U.S. sanctions limited chip supplies, and Huawei earlier abandoned plans to make phones with 5G, a cellular standard that enables far speedier connections. Millions of smartphone users around the world have upgraded their devices as so-called fifth-generation cellular technology held the promise of faster and better connections and other new potential uses.

Now Huawei is fighting back, releasing a new phone in China with 5G-like speeds and capabilities. The initial batch of the phone—the Mate 60 Pro, priced at \$960 for presale—sold out within hours. Other buyers have placed orders for delivery later. The early fervor suggests Huawei could reclaim buyers it lost in China to Apple, which is due to unveil its latest iPhone next week.

China's market share for smartphones priced over \$600



"The government ban and the new Huawei phone will be material events for the iPhone," said Martin Yang, an analyst at investment firm Oppenheimer. "The two combined will drive more Android users to upgrade to the Huawei, or iPhone users going back to Huawei."

Yang said Apple could lose 10 million iPhone shipments in 2024 because of the new Huawei phone. The company shipped 224.7 million iPhones in 2022, according to Counterpoint Research, so that figure would amount to about 4.5% of total iPhone shipments.

Apple is expected to release the iPhone 15 next week, and the company in recent years has relied on high-end device sales for outside growth and profitability.

It remained unclear exactly what prompted China to restrict iPhone use, but some analysts suggested that a similar action in Russia might have helped prompt Beijing.

While the order hasn't been publicly announced, it could pose reputational risks to Apple in China. Individual users beyond central government employees, such as local government officials or those who work with the government in China, could be prompted to avoid Apple products, said Xi-aomeng Lu, a director at risk consulting firm Eurasia Group focusing on geopolitics and

technology.

While Huawei isn't calling its new device a 5G phone, tests by Chinese consumers and domestic testing agencies show it could reach a maximum download speed of 500 to 800 megabits a second. Such a speed would allow consumers to download a movie in high definition within a minute and far surpasses the speed limit of about 300 megabits a second for 4G networks.

Huawei has also highlighted features such as satellite communications that allow users to connect in areas without traditional mobile coverage, a capability that is supported for calls—unlike Apple, which can only support messaging. The product's boxes say "satellite mobile terminal," instead of "digital mobile device," the phrase that was used for earlier phone products.

Industry watchers are debating how the Chinese telecom giant pulled off such a technological feat despite facing sanctions that restrict its access to U.S. chips and related technologies. The privately held Chinese company has stayed silent on the biggest source of conjecture: the phone's core processor and other key mobile chips.

A state-owned newspaper touted the coming phone as the company's successful return to the 5G smartphone market.



A Mate 60 Pro phone being tried out at a Shanghai store.

CFO/ODD/ZUMA PRESS

BUSINESS & FINANCE

Spotify Plans Free Audiobook Trial

Audio streamer to test program with listeners to learn about demand

By ANNE STEELE
AND JEFFREY A. TRACHTENBERG

Spotify plans to test a free audiobook bundle for its paying subscribers in the coming months, part of a push to become a go-to provider of that content.

The streaming service is working with some of the largest publishers in the U.S. on the pilot program, which would allow subscribers to listen to up to 20 hours of audiobooks a

month at no additional cost, said people familiar with the matter. Details are still evolving, but the company expects to offer the program for a limited time and aims to gauge customer interest in audiobooks.

Audiobooks represent a way for Spotify to diversify its offerings to subscribers and its sources of revenue. Executives at Spotify are eager to challenge incumbent audiobook platform Audible and told some publishers that their participation would help break the Amazon.com-owned platform's hold on the industry, some of the people said.

Spotify is trying to achieve consistent profitability to ap-

pease investors. Audiobooks, like podcasts, represent a burgeoning market and a popular format among listeners but one that requires investment from the company and an expansion from music streaming.

Spotify in July said it is raising the price of its premium individual plans in major markets around the world for the first time, by \$1, to \$10.99 a month.

It has discussed a range of compensation models for publishers, including payments

based on the amount of time users spend listening to books.

The test will likely roll out over time to a group of English-speaking countries, including the U.S., Canada, Australia and the U.K. The scope of titles available through the program is expected to be broad but is still being finalized.

Spotify entered the audiobook business a year ago, initially offering a catalog of more than 300,000 titles from independent authors and major publishers, in-

cluding titles by horror writer Stephen King, journalist Malcolm Gladwell and romance novelist Abby Jimenez for purchase. Books have been available on a pay-per-download basis, similar to services offered by Apple and Google.

Chief Executive Daniel Ek has said Apple's App Store policies have hampered the rollout of Spotify's audiobook offerings. Soon after last fall's announcement, Spotify directed users to make purchases through a web browser instead of inside the app.

While it is a more cumbersome user experience, the move was intended to keep Apple from taking up to a 30% commission for downloads.

Audiobooks represent a way for Spotify to diversify its offerings.

J&J's Split Arms It With Cash For Growth

By MARK MAURER

Johnson & Johnson plans to tap billions in proceeds from the recent split-off of its consumer-health business to fuel growth in pharmaceuticals and medical technology through capital allocation, which could include new acquisitions and investments in product offerings and robotics.

The New Brunswick, N.J.-based healthcare giant in May sold shares in Kenvue, which owns brands such as Band-Aid and Tylenol, through an initial public offering that netted J&J \$13.2 billion in cash. In August, J&J shed about 80% of its Kenvue shares through a roughly \$40 billion split-off, whereby some investors chose to trade in their shares of J&J for Kenvue ones.

The moves marked the conclusion of a multiyear effort, a plan decided upon in 2019 and put into action in 2021 when J&J embarked on untangling its finances and operations for such a split.

The split allows J&J's executives to focus more on developing innovations and expanding the businesses of medical technologies and pharmaceuticals. "We need to be a top-tier medical tech company and a top-tier pharmaceutical company, first and foremost," Chief Financial Officer Joseph Wolk said. "That is what's going to carry us for the medium term."

J&J's targets for acquisitions are businesses with scientific expertise and commercial capabilities that could benefit from J&J's global reach, Wolk said. The company's growth will continue to stem from a 50-50 split between organic, in-house development and expansion through acquisitions and partnerships, as it has historically, he said.

App Nudges Its Users Away From Plastic Waste

By SHA HUA

SINGAPORE—The advent of the food-delivery app has left a bad taste in the mouths of governments, environmentalists and others left wondering how to cope with the mountains of plastic waste produced in the pursuit of culinary convenience.

One answer to the problem, according to a new study, lies in a technique that has stirred debate: the behavioral nudge.

Examining consumer behavior on a popular food-delivery app in China, a team of scientists based in Asia has found that messages nudging users to forgo single-use cutlery could be effective enough to reduce plastic waste in the country by more than 3 million metric tons a year—the equivalent weight of 10 Empire State Buildings—if rolled out nationwide.

Rather than ordering people to act a certain way, limiting their choices or using monetary incentives to influence them, nudges seek to change decisions by altering the way choices are presented. Evidence is mixed as to how



The pandemic has boosted the popularity of food delivery and caused a surge in waste,

effective nudging is as a solution to societal problems, but the gentle approach proved effective in this instance, according to the study.

"People generally prefer to be empowered rather than simply being told what to do,"

said Albert Park, professor of economics at the Hong Kong University of Science and Technology, one of the authors of the study, which appears in this week's issue of Science magazine.

In China, where delivery is

cheap, more than half a billion people use food delivery apps, according to German data platform Statista.

China produced more than 80 million metric tons of plastic waste in 2021, up by roughly 30% from 2018, ac-

ording to China's National Bureau of Statistics.

For their study, the researchers examined data collected from 200,000 randomly sampled users in 2019 and 2020 by Ele.me, a Chinese version of DoorDash.

The app's default interface gives users the option of forgoing plastic cutlery, but only during checkout and low down on the screen. Starting in 2019—in response to new government rules requiring reductions in single-use plastics—users in three major cities have been presented with a pop-out window that lists "no cutlery" as the default option, forcing users who want cutlery to select the number of sets. Those who choose to do without plastic cutlery are given points that can be used to fund the planting of a tree.

Users in those cities were 20% less likely to ask for single-use cutlery with their order over the period of the study, the researchers found. Making the option to forgo plastic cutlery more explicit works because it targets users at the moment of decision-making, they said.



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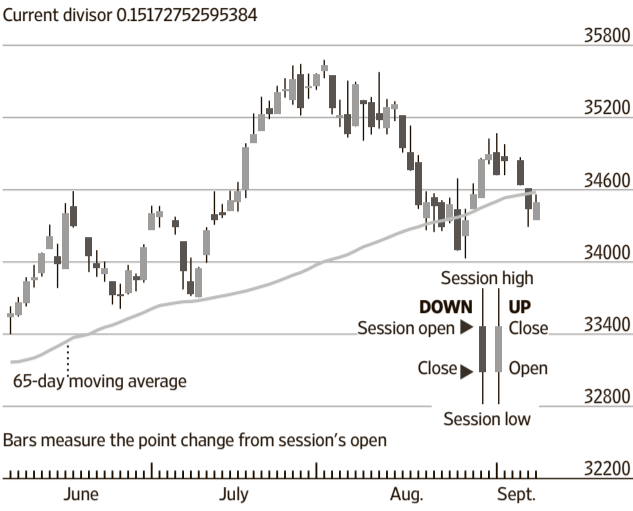


MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

34500.73 ▲ 57.54, or 0.17%
High, low, open and close for each trading day of the past three months.



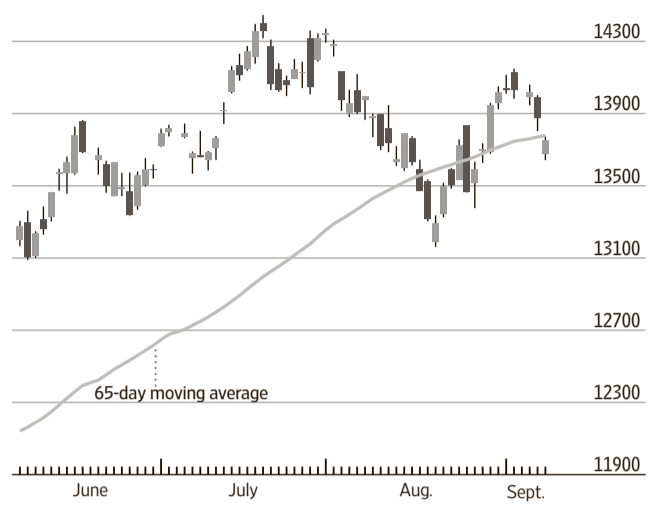
S&P 500 Index

4451.14 ▼ 14.34, or 0.32%
High, low, open and close for each trading day of the past three months.



Nasdaq Composite Index

13748.83 ▼ 123.64, or 0.89%
High, low, open and close for each trading day of the past three months.



Major U.S. Stock-Market Indexes

Table listing various stock market indexes including Dow Jones, Nasdaq Stock Market, S&P 500, and Russell 2000 with their latest values and percentage changes.

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services...

Most-active issues in late trading

Table of most-active issues in late trading, listing companies like Finl Select Sector SPDR, SPDR S&P 500 ETF Trust, and ProShares Short S&P 500.

Percentage gainers...

Table of percentage gainers, listing companies like Smith & Wesson Brands, Smartsheet, and Tredegar.

Trading Diary

Volume, Advancers, Decliners

Table showing trading diary statistics including total volume, advancers, decliners, and issues traded for NYSE and NYSE Arca.

International Stock Indexes

Table of international stock indexes by region, including MSCI ACWI, Euro STOXX, and various regional indices.

Percentage Gainers...

Table of percentage gainers, listing companies like Solowin Holdings, Wheeler Real Est Invnt Tr, and Rosecliff Acqn I Cl A.

Most Active Stocks

Table of most active stocks, listing companies like ProSh UltraPro Shrt QQQ, Tesla, and Apple.

Percentage Losers

Table of percentage losers, listing companies like Inspire Veterinary Ptrs, Sunlands Technology ADR, and Grom Social Enterprises.

Volume Movers

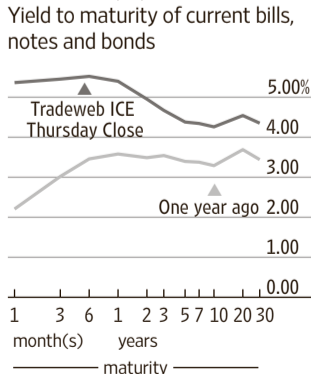
Table of volume movers, listing companies like Rosecliff Acqn I Cl A, iShares Govt/Credit Bond, and Grom Social Enterprises.

CREDIT MARKETS

Consumer Rates and Returns to Investor

Table showing consumer rates and returns to investor, including prime rate, money market, and various mortgage rates.

Treasury yield curve



Forex Race



Corporate Borrowing Rates and Yields

Table of corporate borrowing rates and yields, listing various bond indices and their yields.

CURRENCIES & COMMODITIES

Currencies

Table of currencies showing U.S.-dollar foreign-exchange rates in late New York trading, including Americas, Europe, and Asia-Pacific.

Commodities

Table of commodities showing prices for various goods like oil, natural gas, and gold.

COMMODITIES

Futures Contracts

Table with columns: Metal & Petroleum Futures, Copper-High (CMX), Crude Oil, Light Sweet (NYM), Natural Gas, etc.

Table with columns: Coffee (ICE-US), Sugar-World (ICE-US), Sugar-Domestic (ICE-US), Orange Juice (ICE-US), Interest Rate Futures, Ultra Treasury Bonds (CBT), Treasury Bonds (CBT), etc.

Table with columns: Currency Futures, Japanese Yen (CME), Canadian Dollar (CME), British Pound (CME), Swiss Franc (CME), etc.

Table with columns: Index Futures, Mini DJ Industrial Average (CBT), Mini S&P 500 (CME), Mini S&P Midcap 400 (CME), etc.

Table with columns: Agriculture Futures, Corn (CBT), Oats (CBT), Soybeans (CBT), Soybean Meal (CBT), Soybean Oil (CBT), etc.

Cash Prices

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.

Table with columns: Energy, Metals, Grains and Feeds, Fibers and Textiles, Fats and Oils, etc.

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=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=GoTook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 9/6

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Table with columns: Broad Market, Mortgage-Backed, U.S. Corporate Indexes, High Yield Bonds, U.S. Agency, Global Government

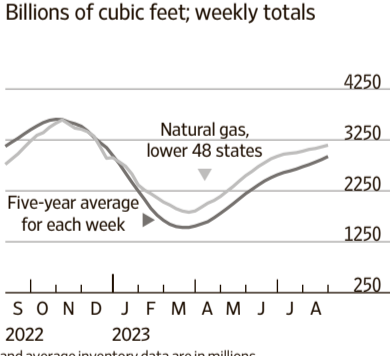
Macro & Market Economics

Watching the Gauges: U.S. Supply and Demand

Inventories, imports and demand for the week ended September 1. Current figures are in thousands of barrels or thousands of gallons per day, except natural-gas figures, which are in billions of cubic feet. Natural-gas import and demand data are available monthly only.

Table with columns: Inventories, 000s barrels; Imports, 000s barrels per day; Weekly Demand, 000s barrels per day

Natural gas storage



Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread, etc.

Investment-grade spreads that tightened the most...

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread

...And spreads that widened the most

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread

...And with the biggest price decreases

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Table with columns: ETF, Symbol, Closing Price, Chg YTD, etc.

*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

Source: MarketAxess

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are rounded to the nearest cent. Includes primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.

Footnotes:
+New 52-week high
+New 52-week low
+Stocks in the most recent four quarters
+Does not meet continued listing standards
+Temporary exemption from Nasdaq requirements
+NYSE bankruptcy
+Trading halted on primary market
+In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Table with columns: Stock, Sym, Close, Net Chg. Includes sub-sections A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Table with columns: Stock, Sym, Close, Net Chg. Continuation of the main stock table.

Table with columns: Stock, Sym, Close, Net Chg. Continuation of the main stock table.

Table with columns: Stock, Sym, Close, Net Chg. Continuation of the main stock table.

Table with columns: Stock, Sym, Close, Net Chg. Continuation of the main stock table.

Table with columns: Stock, Sym, Close, Net Chg. Continuation of the main stock table.

Table with columns: Stock, Sym, Close, Net Chg. Continuation of the main stock table.

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % CHG-Daily percentage change from the previous trading session.

Table with columns: Stock, Sym, Hi/Low, % Chg. Lists stocks with new highs and lows.

Mutual Funds

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

e-E-X-distribution; F-Previous day's quotation; G-Footnotes x and s apply; F-Footnotes e and s apply; K-Recalculated by Lipper, using updated data; P-Distribution costs apply; 12b-1 - Resumption charge; may apply; S-Stock split or dividend; T-Stock split and dividend; W-Footnotes x and e apply; X-Ex-dividend; Y-Footer; Z-apply; LIPPER data under review; NN-Fund not tracked; NS-Fund didn't exist at start of period.

Table with columns: Fund, NAV, YTD, % Chg, % Ret. Lists top 250 mutual funds.

Dividend Changes

Table with columns: Company, Symbol, Yld %, Amount, New/Old, Payable/Record.

Table with columns: Company, Symbol, Yld %, Amount, New/Old, Payable/Record. Continuation of dividend changes.

Stocks

Table with columns: Stock, Sym, Hi/Low, % Chg. Lists various stocks.

Stocks

Table with columns: Stock, Sym, Hi/Low, % Chg. Continuation of stock list.

Stocks

Table with columns: Stock, Sym, Hi/Low, % Chg. Continuation of stock list.

Stocks

Table with columns: Stock, Sym, Hi/Low, % Chg. Continuation of stock list.

Stocks

Table with columns: Stock, Sym, Hi/Low, % Chg. Continuation of stock list.

Stocks

Table with columns: Stock, Sym, Hi/Low, % Chg. Continuation of stock list.

Freddie Mac

30-year fixed 7.12, 15-year fixed 6.52

Freddie Mac

30-year fixed 7.12, 15-year fixed 6.52

Freddie Mac

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BANKING & FINANCE

DC Advisory Hires Rothschild Veteran

Japanese-owned bank has added 27 senior executives in the past two years

By Rod James

DC Advisory has hired the former global co-head of business services investment banking activity at Rothschild & Co., the 27th senior appointment made by the boutique investment bank in just two years, according to a statement seen by The Wall Street Journal.

Dan Skolds joins as a New York-based managing director in DC Advisory's business & tech-enabled services team, which advises businesses and their private-equity sponsors

on capital raising and mergers and acquisitions, the statement said. He joins Managing Directors John Lanza and Jordan Finkler along with a team of 50 bankers globally.

The team has a broad remit, covering 19 subsectors ranging from information-technology services to transport and logistics and business process outsourcing, according to the bank's website. Its clients include midmarket buyout shops Gallant Capital Partners and Mobeus Equity Partners, as well as the private-equity investment arm of Ontario Municipal Employees Retirement System, according to the bank's website.

Skolds has advised on more than \$40 billion of M&A transaction volume in his 30-year career, which includes stints at

Rothschild, J.P. Morgan, RBC Capital Markets and Credit Suisse, the statement said.

DC Advisory has made expanding its U.S. business a strategic priority as part of a goal to become "the premier midmarket investment bank, globally," according to previous statements from Hiroki Ikeda, deputy head of global investment banking at the bank's parent company, Daiwa Securities.

Earlier this week, DC Advisory announced the hiring of Stan Holtz, a 30-year veteran from Truist Securities, to lead its U.S. telecom and digital infrastructure services team.

In March, the bank brought in Managing Directors Anthony Edwards and Hannah Schofield from investment bank CIBC World Markets and



The investment bank is owned by Japan's Daiwa Securities Group.

asset manager BlackRock, respectively, to launch a U.S. infrastructure business.

The bank has a presence in Europe and in Japan, the home market of its parent. It ranked seventh in data provider Dealogic's list of the most active banks in European

private equity during 2022, advising on 18 deals with a value of \$2.6 billion.

DC Advisory's aggressive growth comes during a prolonged slump in M&A activity caused by a combination of factors, including macroeconomic uncertainty, higher in-

terest rates and more expensive debt financing.

The total value of M&A deals announced globally fell to \$3.61 trillion, a 37% decline from 2021's record high, The Wall Street Journal reported in January, citing data provider Refinitiv.

Bridgepoint to Acquire Renewables Investor Energy Capital Partners

By Chris Cumming and Joseph Hoppe

Bridgepoint Group said it agreed to acquire infrastructure investor Energy Capital Partners Holdings at an enterprise value equivalent to about \$1 billion to create a private-equity asset manager with assets of more than \$61 billion.

The transaction would give Bridgepoint, a London-based midmarket specialist, a presence in the energy-infrastructure sector in addition to its existing private-equity and credit operations.

Summit, N.J.-based ECP specializes in energy transition and sustainable-energy investments, which are among the most rapidly growing strategies in the infrastructure sector globally.

A deal had been in the works for months. ECP founder Doug Kimmelman said there was no formal sales process, and it took the firm time to find a merger partner that would be a good fit in size, geography, strategy and culture.

"Our criteria was pretty narrow and not many firms can fit it, but Bridgepoint did," he said.

Bridgepoint said Wednesday that it would pay \$835 million for the firm, the equivalent of \$1.05 billion, including as many as 235 million newly issued Bridgepoint shares and \$233 million in cash. Bridgepoint also will pick up \$179 million of ECP's existing debt. The transaction is expected to close within four to six months, and is subject to shareholder approval.

Bridgepoint shares rose 8.2% Wednesday to 189.3 pence.

Bridgepoint said the deal will prompt leadership changes. The combined group will split the roles of chief executive and chairman after adding ECP, with William Jackson, who currently holds both roles, set to lead the Bridgepoint board and continue to focus on the core private-equity business. Bridgepoint Group Managing Partner Raoul Hughes will become chief executive starting Oct. 1.



Doug Kimmelman

The firm also plans a new £50 million share buyback, expected to start once an existing £50 million repurchase program ends, reflecting the enlarged company's increase in fundamental value, Bridgepoint said.

In other changes, Kimmelman and ECP Managing Partner Tyler Reeder will join Bridgepoint's executive leader-

ship group, while ECP Managing Partner Pete Labbat will join a committee focused on talent and compensation. ECP's present management and investment team will continue to run the business under its current name following the combination.

The deal will create a firm controlling about €57 billion in assets, equivalent to about \$61.1 billion. Bridgepoint, which went public on the London Stock Exchange in 2021, manages about €38 billion, or \$40.73 billion, while ECP manages about \$20.1 billion.

New York asset manager Blue Owl Capital owns stakes in both firms and will hold about 15.5% of the shares of the combined business after the deal closes, according to a public filing on the London Stock Exchange.

The filing said that ECP's partners and participating employees would have roughly 19% of Bridgepoint's shares after the transaction closes, a proportion that could increase to 25% with earn-outs.

Hacks on Hospitals To Reach Record Year

By Kim S. Nash

A record year for cyberattacks on U.S. hospitals is putting patients in danger, as hospitals struggle to cope with disabled equipment and frozen data, an official from the American Hospital Association warned Thursday.

Hackers, especially ransomware groups, are routinely taking down medical applications and internet connections, and freezing up patient and operations data, John Riggi, national adviser for cybersecurity and risk at the AHA, said, speaking at a meeting of the Healthcare Information and Management Systems Society.

Since January, the medical data of more than 61 million people has been stolen or exposed in more than 400 cyberattacks, according to statistics from the U.S. Department of Health and Human Services. This vastly outpaces activity in 2022 and 2021.

The average number of patients affected in a hack is

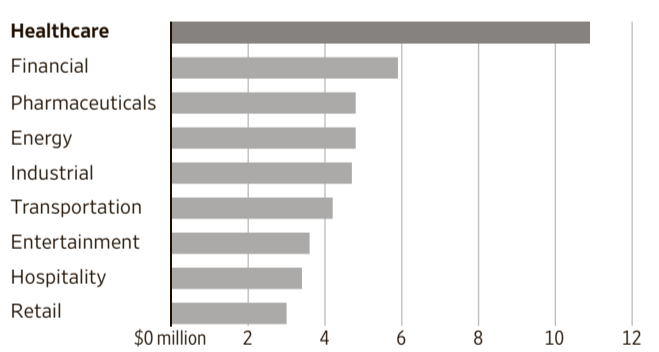
180,000, tripling in the past three years, Riggi said. Most of the data is stolen from network servers and email accounts, he said, which indicates hospitals aren't taking care to encrypt most of the information.

"Email and phones go down. Backup computers generally don't work or have only about three days of data on them," Riggi told the audience of healthcare technology and cyber leaders. "We have seen this consistently."

Hospitals must plan for three to four weeks of downtime in the event of a cyberattack, Riggi said.

U.S. government agencies, including the Federal Bureau of Investigation and the Cybersecurity and Infrastructure Security Agency, have begun to treat cyberattacks in healthcare as threat-to-life crimes, he said. That means using offensive tactics to proactively interrupt hacker infrastructure. While building strong cyber protections is vital for hospitals, federal help is needed, he said.

Average recovery cost from a cyberattack by industry, 2023



Note: For data breaches that occurred between March 2022 and March 2023. Source: IBM analysis of 553 cyber incidents in 16 countries

Wells Fargo Public Affairs Head Is Retiring

By Ben Eisen

Wells Fargo said that its well-connected head of public affairs would retire at year-end.

Bill Daley, a former chief of staff to President Obama who is also a Wall Street veteran, joined Wells Fargo in 2019, when the bank reorganized un-

der its current CEO, Charlie Scharf.

Daley has overseen the bank's sprawling public affairs group, which includes government relations, communications and community relations. It has been a key part of the bank's yearslong effort to recover from its fake-accounts

scandal, which burst into the open in 2016.

"We've made real progress in improving Wells Fargo's standing in the public eye," he said in a statement. "I see it in the data, and I hear it in the conversations I have both internally and externally, across different parts of the

country, and across party lines."

Daley previously worked with Scharf at Bank of New York Mellon and JPMorgan Chase. He also served as commerce secretary under President Clinton.

Wells Fargo has yet to name a successor for Daley.

Guilty Plea Is Fourth in FTX Failure

Continued from page B1

in the money-transmitter offense. He agreed to pay \$6 million toward the order and \$5.6 million in restitution. He was released on a \$1 million bond and is to be sentenced March 6.

"Ryan looks forward to putting this chapter behind him

and moving forward with his life," said Jason Linder, a lawyer for Salame.

A spokesman for Bankman-Fried declined to comment.

Salame committed crimes "through an unlawful political influence campaign and through an unlicensed money transmitting business, which helped FTX grow faster and larger by operating outside of the law," Manhattan U.S. Attorney Damian Williams said.

Caroline Ellison, former chief of Alameda Research, and Gary Wang and Nishad Singh, former FTX executives, have also entered guilty pleas.

SEC Probes Cohen's Bed Bath Trades

Continued from page B1

oped a deep fan base of individual investors who herd into the stocks he buys. He most notably took control in 2021 of videogame retailer GameStop, where he currently serves as executive chairman.

A group of Bed Bath and Be-

yond investors sued Cohen last year in Washington, D.C., federal court, alleging he committed fraud because he was aware of bad news about the company that hadn't been disclosed when he sold his shares. They claim his statements on Twitter and in SEC filings were part of a pump-and-dump strategy that left small investors nursing big losses.

In an order issued in late July declining to dismiss the investors' claims, U.S. District Judge Trevor N. McFadden called the timing of Cohen's trades "sketchy." Cohen's ability to attract a

bandwagon of retail investors grew from the depths of the Covid-19 pandemic, when traders triggered by social-media posts and online communities such as Reddit began gambling on meme stocks.

According to the investors' lawsuit, Cohen misled investors when he tweeted on Aug. 12, 2022, in response to a negative news article about Bed Bath & Beyond, that included an emoji showing the face of the moon.

Some investors took it as a bullish signal, indicating that Bed Bath & Beyond stock would go "to the moon," according to the lawsuit. The

stock rose 12% that day, according to FactSet data.

In his response to the investors' lawsuit, Cohen denied misleading the market about his trading plans. He decided to sell, he said in a court filing, because the stock price had "unexpectedly increased to a value that exceeded what he believed it was worth."

Cohen also said that one of his earlier disclosures told investors that he could sell some or all of his shares. He didn't change that statement, so investors were on notice that Cohen could dump his stake at any time, his court filing said.

New Highs and Lows

Continued From Page B9

Table with columns: Stock, Sym, 52-Wk Hi/Low, % Chg. Lists various stocks and their performance metrics.

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MARKETS

Apple Selloff, Rate Worries Drive Down Nasdaq, S&P

By HANNAH MIAO

The S&P 500 declined for a third consecutive trading day, dragged down by concerns about the path of interest rates and a selloff in Apple shares.

The broad index pulled back 0.3%. The tech-heavy Nasdaq Composite fell 0.9%, its fourth straight negative session. The

blue-chip Dow Jones Industrial was the outperformer, adding 57.54 points, or 0.2%.

This year's expectation-defying rally has been fueled in part by optimism that the Federal Reserve might soon conclude, and even begin to reverse, its interest-rate-raising campaign as inflation wanes.

Fresh data this week have stirred worries that the Fed might need to keep lifting rates to cool a still-hot U.S. economy.

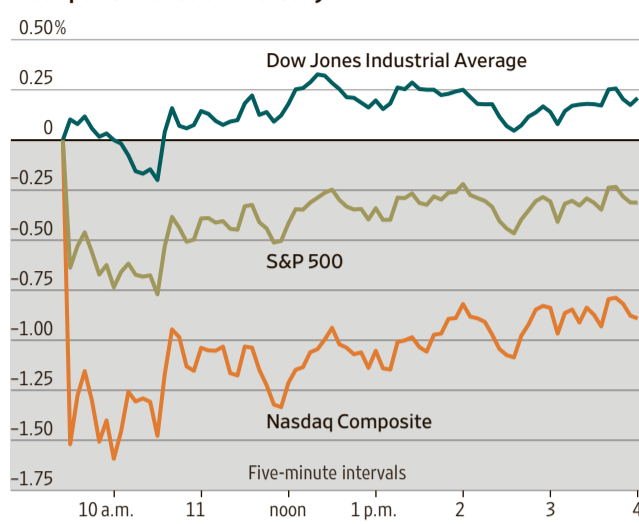
The latest jobless-claims report suggested the labor market remains tight. Initial claims fell to the lowest level since early February, marking a fourth straight week of declines, the Labor Department said Thursday. The report came after unexpectedly strong services-sector data drove a down session for stocks Wednesday.

"The fear is that the labor market is so hot and so strong that it could open the door for more hikes later this year," said Ryan Detrick, chief market strategist at Carson Group.

Traders overwhelmingly believe the Fed will hold rates at current levels at its September policy meeting but are split on whether officials will lift rates in November.

Federal-funds futures reflect a roughly 40% chance of a 0.25-percentage-point increase in November, up from a 29% probability a month ago, according to CME Group's Fed-Watch Tool.

Index performance on Thursday



Source: FactSet



Hurricane Idalia moved through Walt Disney World last month.

Also weighing on the S&P 500 and Nasdaq, Apple shares continued to tumble. The stock fell 2.9% Thursday, with Apple shedding nearly \$190 billion in market value over the last two days. The Wall Street Journal reported China has ordered officials at central government agencies not to use iPhones at work. Meanwhile, a new Huawei phone is gaining notice in China.

Concerns about Apple spilled over into the performance of other megacap tech stocks. Nvidia declined 1.7% and Microsoft shed 0.9%.

The information-technology sector was the worst-performing segment of the S&P 500, down 1.6%.

Utility stocks proved the best-performing sector in the S&P 500 on Thursday, a sign of the risk-off mood among investors. The sector rose 1.3%, its best day since July. Utilities are typically thought of as defensive stocks that tend to hold up better when the market is rocky. This year, the sector has struggled.

Real-estate and healthcare stocks were also among the session's gainers, breaking

from their year-to-date lagging performance.

"Growth is taking a breather," said Jon Maier, chief investment officer of Global X ETFs. "Value is taking the lead short term."

Shares of Walt Disney dropped to \$80.57, their lowest closing price since 2014. The firm is contending with Hollywood strikes and a dispute over fees with cable operator Charter Communications as well as the prospect of sustained losses in its TV and streaming businesses.

AMC Entertainment shares sank to a record, continuing their decline after the movie-theater chain announced a plan to sell as many as 40 million common shares.

In the bond market, the 10-year U.S. Treasury yield eased to 4.260% from 4.289% on Wednesday.

Oil benchmark Brent crude fell 0.8% to \$89.92 a barrel.

Overseas, Europe's Stoxx 600 fell 0.1%. At midday Friday, Japan's Nikkei 225 was down 0.9%, Hong Kong's Hang Seng Index was down 1.3% and the Shanghai Composite was down 0.5%. S&P 500 futures were flat.

Weak Economic Data Pressure Chinese Yuan

By CAITLIN MCCABE

China's currency is coming under fresh pressure after another round of weak data added to concerns about the country's flagging economy.

Data Thursday showed China's exports dropping for a fourth straight

month in August, a further sign that the country's decadeslong economic boom is fading.

The offshore yuan settled at 7.3419 a dollar. That was its second-weakest closing level on record based on data going back to 2010, when China began to allow offshore currency trading, according to Dow Jones Market Data.

The onshore yuan settled at 7.3286 a dollar, its weakest end-of-day level since December 2007.

China's currency woes are partly the result of U.S. economic strength as well as China's economic weakness.

A run of recent data have indicated the U.S. economy remains resilient, despite the

Federal Reserve having raised short-term interest rates to their highest level in more than two decades. Prices of U.S. government bonds have fallen in response, driving yields to their highest level in more than 15 years, as investors bet short-term rates will stay elevated for years to come.

Higher forward-looking returns on U.S. bonds in turn have made the dollar more attractive to yield-seeking investors.

The WSJ Dollar Index, which measures the greenback against a basket of 16 other currencies, has risen about 5% since mid-July to hit highs last registered in November.

Investors are divided over whether the Fed will raise interest rates further this year but largely agree that the central bank will be in no rush to cut them.

By contrast, China's central bank unexpectedly cut two key interest rates last month and some analysts anticipate another cut to both before the end of 2023.

AUCTION RESULTS

Here are the results of Thursday'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.

FOUR-WEEK BILLS	
Applications	\$216,497,348,900
Accepted bids	\$80,536,573,900
* noncompetitively	\$4,478,958,400
** foreign noncompetitively	\$30,000,000
Auction price (rate)	99.589333 (5.280%)
Coupon equivalent	5.390%
Bids at clearing yield accepted	23.29%
Cusip number	912797HAB
The bills, dated Sept. 12, 2023, mature on Oct. 10, 2023.	

EIGHT-WEEK BILLS	
Applications	\$195,868,996,500
Accepted bids	\$70,469,209,000
* noncompetitively	\$1,288,833,400
** foreign noncompetitively	\$0
Auction price (rate)	99.177111 (5.290%)
Coupon equivalent	5.423%
Bids at clearing yield accepted	45.91%
Cusip number	912797H19
The bills, dated Sept. 12, 2023, mature on Nov. 7, 2023.	

How many offshore Chinese yuan \$1 buys



Source: Tullett Prebon

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FINANCIAL ANALYSIS & COMMENTARY

U.S. Wind-Farm Revolution Is Broken

Even with generous green subsidies, offshore wind projects are being called off as developers struggle to make a profit

Offshore wind farms should be one of the best solutions to the climate crisis but are turning out to be a lousy business. Getting the struggling industry back on its feet will require a new approach from companies and politicians.

The public face of the dilemma is **Ørsted**, a former oil and gas producer that became the world's largest offshore wind-farm developer. The Danish company's stock has lost more than \$10 billion, or a third of its market value, since warning last week that it may take impairments of up to \$2.3 billion on its U.S. projects. On Tuesday, ratings provider Moody's downgraded the stock, a further challenge for a company that, like a property developer, needs debt to fund its plans.

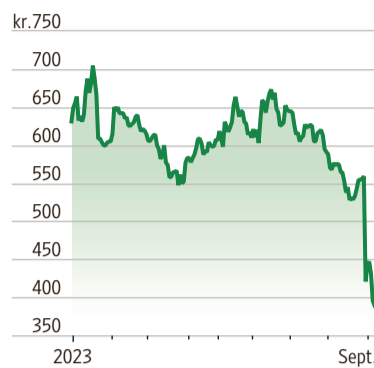
Ørsted won contracts to develop wind farms off the coasts of Connecticut, New York and New Jersey in late 2018 and 2019. Since committing to sell the power from these projects at a fixed price, permitting delays, rising costs and higher interest rates torched the returns it expected to make.

The Biden administration wants to have 30 gigawatts of offshore wind capacity by 2030, from less than 50 megawatts today. Generous subsidies in the Inflation Reduction Act are meant to turbocharge investment. Ørsted hoped bonus tax credits in the climate bill for using locally produced components would paper over financial cracks, but now says its wind farms may not qualify.

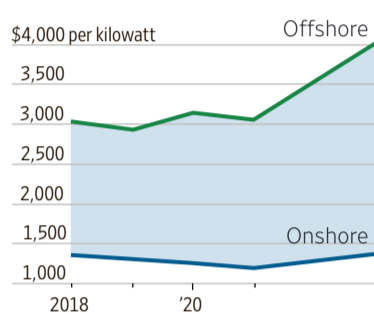
The company says it will abandon projects if it doesn't get more government support, and rivals are rethinking their U.S. plans. Shell and Avangrid face multimillion-dollar fines for calling it quits on offshore wind-farm developments in Massachusetts that they can no longer justify. There is trouble further up the supply chain, too. Siemens Gamesa and Vestas, which together make roughly 80% of all turbine blades and nacelles for projects outside China, are losing money.

Of all renewable energy projects,

Ørsted share price



Average capital costs for U.S. wind farm projects



Note: 1 kroner=\$0.144
Sources: FactSet (share price); Lazard (costs)

offshore wind farms may be the most vulnerable to rising rates as they take longer to build and have higher upfront costs. According to George Bilicic, global head of power, energy and infrastructure at Lazard, building a U.S. offshore wind farm can cost \$4,000 per kilowatt at the midpoint of estimates, compared with \$1,360 for onshore farms and \$1,050 for solar facilities. Average costs to build an offshore wind farm shot up 36% since 2019, compared with 5% for land-based ones, in part because of pricier debt.

Offshore wind is a promising clean-power technology because it should be highly productive once the capital is invested. As the ocean is windy, the capacity factor of offshore farms—a measure of how efficiently they generate electricity—is higher than both on-



The Biden administration wants to have 30 gigawatts of offshore wind capacity by 2030.

shore wind farms and solar power. Installing wind turbines out at sea is also less controversial than on land, so the politics should be easier, in theory.

In reality, the industry is hamstrung by politics at all levels. Transmission bottlenecks to get power from offshore wind farms to land are a major obstacle to delivering projects on time. Governments that dole out green subsidies with one hand set unfavorable terms for seabed auctions with the other.

There are self-inflicted problems. Turbine manufacturers raced to make bigger and bigger models, driving down costs and making offshore wind nominally competitive with fossil fuels in many regions. But the rapid churn made important parts of the supply

chain obsolete: Older-installation vessels can't handle the new, supersize turbine blades and towers.

While the industry needs to get better at understanding the hidden costs of innovation, governments will have to pay more if they want offshore wind power to help reduce carbon emissions. "Policy makers got used to 20 years of continuously falling prices for renewables. All of a sudden, that has reversed and they have been slow to react," says Chris Seiple, vice chairman of Wood Mackenzie's power and renewables group.

Contracts should be linked to inflation. Right now, developers take on huge risks when they win a bid: Their future revenue is locked in but they are exposed to rising input costs throughout the

years it takes to get a wind farm up and running. If governments have to shoulder these costs, they might overhaul permitting processes that are causing delays.

Even in Europe, where the offshore wind industry is more mature, the rollout has slowed to a crawl. In 2022, the European Union installed 2.5 gigawatts of new offshore capacity, less than the 3 gigawatts it managed back in 2015.

Offshore wind power is becoming a prime casualty of the shift in financial markets away from the old world of smooth supply chains, low inflation and free money. The industry and its political backers need to work together to find a model better suited to stormier times.

—Carol Ryan

Apple and Samsung Are Testing How Pricey Phones Can Get

Remember when a \$1,000 iPhone was considered eye-popping? That all seems rather quaint now.

Apple and **Samsung** both began breaching four digits in 2017 in the U.S. market. Six years later, they both have several models and varying memory configurations priced at that level, and they aren't alone. Google has four configurations of its latest Pixel smartphone priced at \$999 and higher. Samsung and Google are even beginning to flirt with the \$2,000 range with devices that feature foldable displays. The most expensive phone in Samsung's lineup—the Galaxy Z Fold5 with 1 terabyte of memory—will set you back \$2,159 before taxes.

Not everyone pays those prices, of course. Smartphone makers and wireless carriers have become rather sophisticated with promotions and trade-in credits on older devices that help soften the blow. But consumers are still shouldering a growing load. According to data from IDC, average smartphone selling prices in the U.S. jumped from \$409 in 2016 to \$735 last year. That reflects an average annual gain of 11%—more than three times the rate of inflation in that time. And that figure includes budget

phones fetching only a few hundred dollars apiece. The price of Apple's most expensive iPhone configuration has gone up by \$550 between the introduction of the iPhone X in 2017 and the iPhone 14 models released last year.

The reasons why aren't particularly mysterious. Smartphones are now a mature market with slim growth prospects, which leaves price increases as one of the few ways that manufacturers can boost their revenue. The smartphone industry logged its first-ever decline in global unit sales in 2017, the same year those \$1,000 devices began to surface. According to IDC, smartphone unit sales have since then fallen every year except for 2021, which was helped by aggressive carrier promotions for 5G-capable devices, such as Apple's iPhone 12 family.

Apple itself saw iPhone unit sales jump 22% in the fiscal year ended that September, according to consensus estimates from Visible Alpha. That also happened to be the first year since 2015 that Apple expanded unit sales of its smartphone by double digits; the company actually ceased reporting its own unit sales in 2018 after two

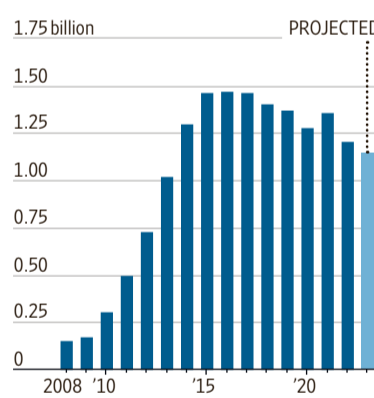
years of anemic growth.

Price increases will likely play a big part in Apple's coming iPhone cycle. The iPhone 15 family that the company is expected to introduce next week will come three years after the big upgrade cycle sparked by the iPhone 12's introduction in 2020, meaning a large base of potential customers with three-year-old phones might be ready to upgrade again.

But the new iPhones aren't expected to offer any major technological enhancements on the level of 5G, so Wall Street expects Apple to usher in a new round of price increases to help expand the overall business. Analysts project that iPhone revenue will grow 5% in the fiscal year ending in September 2024—a period that will be anchored by the iPhone 15 family—despite 2.8% projected growth in unit sales for the same period, according to FactSet estimates.

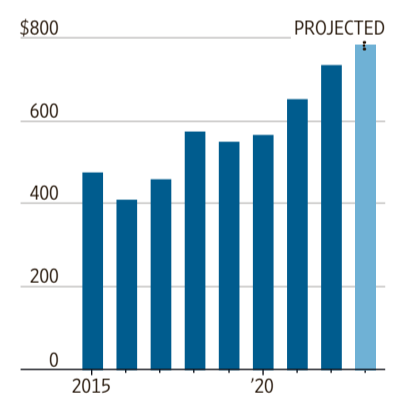
How high can smartphone prices go, though? The flexible-screen devices now pushing the \$2,000 price point aren't huge sellers. Counterpoint Research estimates that they have accounted for 3% of U.S. smartphone sales so far this year. Citigroup analysts project that Ap-

Global smartphone unit shipments per year



Source: IDC

U.S. smartphone average selling price per year



ple will raise the price of the iPhone Pro lineup by \$100 to \$200. A \$100 raise across the board would lift the average selling price of that crucial product line by nearly 8% and boost the most expensive version to \$1,700.

Consumers have so far been willing to buy in. According to IDC, premium smartphones priced at \$800 and higher accounted for 54% of total smartphone sales in the U.S. in the first half of this year, compared with 28% in 2019. But much of that depends on the larges of wireless carriers that are picking up an ever-increasing portion of the tab with trade-in credits and other promotions. According to data from BayStreet Research, the spread between the average wholesale price of smartphones in the U.S. and the average price paid by

consumers at retail was 49% in the second quarter of this year, compared with 15% in the same period three years earlier.

That can't go on forever. **T-Mobile** Chief Executive Officer Mike Sievert even noted the sharply rising costs of attracting and retaining customers when announcing plans to lay off 5,000 workers two weeks ago. But breaking the cycle will be difficult—especially if even one of the carriers keeps promotions strong.

"I would expect this iPhone release to be the costliest ever for the carriers," Craig Moffett, wireless analyst at SVB MoffettNathanson, said in an interview.

Apple's true pricing power might only become apparent when consumers are no longer able to split the bill.

—Dan Gallagher

Huawei's Breakthrough Still Shows China's Limits in Tech Race

A new smartphone from China's **Huawei Technologies** has caused a stir. But on closer inspection, it says as much about the country's challenges as its promises in a divided technology landscape.

The company surprised everyone last week when it quietly unveiled the Mate 60 Pro—its new smartphone that apparently comes with 5G capabilities. Huawei has mostly been selling 4G phones since 2019, when the U.S. imposed sanctions restricting its access to advanced chips. It had 12% of the global smartphone market when the U.S. sanctions hit but its share

fell to 2% last year, according to Counterpoint Research. That number excluded budget brand Honor, which it sold in 2021, partly due to the sanctions.

There are indeed causes for celebration for the company and China's chip industry. According to a teardown by industry research firm TechInsights, the main chip inside this new phone is made using technology comparable to the so-called 7nm process. It is possibly made by China's leading chip foundry **Semiconductor Manufacturing International**, or SMIC, said TechInsights.

That is still generations behind the market leaders. For example, **Taiwan Semiconductor Manufacturing**, or TSMC, has already been mass producing more advanced 3nm chips. But that nonetheless is still a big step forward, especially given the limitations China's chip makers are facing.

While SMIC has no access to the most cutting-edge extreme ultraviolet lithography machines, it could use some older equipment to make advanced chips, likely using a process called multipatterning. The process, however, could involve higher costs and lower

production yields. Still, the breakthrough indicates how the U.S. sanctions seem to have galvanized the Chinese state and industry players to work together toward a common goal.

But Huawei and SMIC will likely be able to push ahead at most only another generation using the multipatterning process. Going further could be harder as it will be difficult for them to get their hands on the most advanced chip-making tools.

Sanctions are stepping up to include even some older machines, too, and chances are that the re-

strictions could get even tighter. On top of trying to make the chips, China could ultimately need to manufacture its own chip-making equipment, too. Meanwhile, leading players such as TSMC are still advancing, widening the gap with China.

Huawei's new phone is a significant achievement for a Chinese company facing U.S. sanctions. But China's semiconductor industry, and its broader tech ecosystem, look destined to lag behind the U.S. and its partners for the foreseeable future.

—Jacky Wong



\$42.5 Million
This developer is trying to flip a home—on a bet. **M2**

MANSION

\$5.39 Million
A historic Art Deco treasure is revived and listed. **M3**



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THE WALL STREET JOURNAL.

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LIVIN' ON THE LEDGE

ANTHONY GAMBARRINO FOR THE WALL STREET JOURNAL (2. EXTERIORS); KELSEY HALE FOR THE WALL STREET JOURNAL; LUXHUNTERS PRODUCTIONS (POOL)

Designer Glendon Good built a cliff-top house in the Arizona desert. It's accessed by a tram and the views 'never get old.'



By FRED A. BERNSTEIN

\$185,000
Cost of the tram

4
Number of people the tram holds

3 MINUTES
14 SECONDS
Time it takes to ride up to the house

I don't think he'll be afraid of heights," says Glendon Good, holding his 9-month-old son in his arms as a gondola lifts them to the top of a sheer cliff. The ride—3 minutes and 14 seconds at slightly more than 45 degrees—takes them to the house Good shares with his wife, Milenka Bezic, and Jackson, their first child together.

For Bezic, living more than 200 feet above the nearest road wasn't exactly a choice. Good, age 60, was already working on the cliff-top dwelling outside Sedona, Ariz., when the couple met at a neighbor's garden party in 2019 and, he says, "hit it off right away." (Bezic, 44, grew up in Argentina and was visiting an aunt in Arizona at the time.) They married in 2021, when, Good says, the house was about 75% finished.

When he purchased the 5-acre, split-level property in 1999, he got a bargain price of \$262,500, he says, because "no one thought



you could build on the cliff." But they didn't know Good, who grew up in a house his parents built at the top of a sheer cliff in California. That cliff, like the Sedona cliff, was about 200 feet high. When a reporter points out the coincidence, he demurs. "We grew up over the ocean. Now I live over the desert," he says, as if to prove that his past is irrelevant to his present. Then he adds, "The connection never really dawned on me."

But, he concedes, growing up in a house on a cliff "made me realize I could live up here. Other people might not have thought of it." Bezic, speaking in Spanish, says she likes the house because the views reminds her of her native Patagonia. Good says his wife speaks a bit of English and he, "a fair amount of Spanish," having lived in Spain, Mexico and Costa Rica. Plus, he says, as the house's general contractor, *Please turn to page M6*

40 INCHES
Height of glass walls on terrace

What Happens on Fishers Island, Stays on Fishers Island

Locals seek to keep this exclusive island under the radar

By E.B. SOLOMONT

THICK, WHITE CLOUDS obscured the skyline at 7 a.m. on a recent weekday morning, when a ferry bound for Fishers Island, N.Y., departed New London, Conn.

Carrying mail, groceries and day workers, the boat churned through slate-colored water, past the island's rocky shoreline and into a small harbor where it docked with little fanfare about 45 minutes later. A light mist fell as homes overlooking the water came into view.

A summer colony dating back to the late 1800s, Fishers Island is an exclusive enclave where genera-



Technically in New York state, Fishers Island is a secretive and wealthy enclave off the coast of Connecticut.

tions of old-money families gather to sail and golf. Over the years, Fishers Island residents have in-

cluded members of the du Pont family along with former New Jersey Gov. Tom

Please turn to page M4

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CATE BROWN FOR THE WALL STREET JOURNAL

PRIVATE PROPERTIES

A Houston Château Aims for a Record

A Houston home coming on the market for \$29 million resembles a French château—with the palace intrigue to match.

Built in the 1990s, the roughly 15,000-square-foot estate has Marie Antoinette statues, ornate ironwork, trompe l'oeil, Baccarat chandeliers and antique fireplaces, according to listing agent Rachel Solar of Martha Turner Sotheby's International Realty.

The seller is socialite and philanthropist Lori Krohn Sarofim, who was previously married to Phillip Sarofim, son of the late Egyptian-born billionaire Fayez Sarofim. In an odd twist widely reported in

Houston society columns, Lori's mother, Susan Krohn, married Fayez Sarofim shortly after their children tied the knot, making Lori and Phillip step siblings as well as spouses. Lori and Phillip have since divorced, while Fayez died last year.

If the house fetches its asking price, it will set a record for the most expensive home sale ever recorded on Houston's Multiple Listings Service, according to Solar.

Lori Krohn Sarofim said the château, located in Houston's tony River Oaks neighborhood, has been in her family since around 2006.

Starting in 2014, she oversaw a massive interior renovation of the house that took more than four years.

"The amount of detail and deliberation that went into every space was overwhelming, but well



worth it for the end result," she said in an email.

The roughly 1.5-acre estate sits directly on the golf course of the River Oaks Country Club.

The five-bedroom property has a midnight-blue dining room with vintage Baccarat sconces and a fireplace mantel imported from

Paris, according to Solar. The primary suite has a two-level closet with a spiral staircase, while the kitchen has its own rotisserie oven.

Other features include a gym, game room, two safe rooms and a wine cellar with storage for more than 500 bottles.

The grounds contain a swim-

ming pool and an elaborate manicured garden with stone walkways, vine-draped pergolas and a koi pond, Solar said.

Krohn Sarofim said she is selling the property because she is "planning to travel more and spend time at other residences."

The house is one of several

high-profile listings in the area. A River Oaks brick mansion owned by prominent trial lawyer Tony Buzbee came on the market for \$27.5 million in February 2022.

It is still listed and has seen its price reduced to \$20 million, Zillow shows.

—Katherine Clarke



The property is about 1.5 acres.

Bet You Can't Flip A Luxury Home

It all started with a bet.

Miami investor Robert Rivani is looking to sell a renovated Malibu, Calif., home for \$42.5 million—all because his friend bet that he couldn't.

Rivani said he and a friend made a friendly wager that if Rivani can flip a luxury home for a certain amount of profit, the friend will pay Rivani a "seven-figure sum." If he can't, Rivani will owe the friend the same amount.

So Rivani, who has never flipped a high-end residential property before, bought a 1920s beachfront home in Malibu for \$19.55 million last year, and is in the process of completing a roughly \$5 million renovation.

"I have to win," Rivani said with a laugh.

The house is located on Carbon Beach, known locally as Billion-

aires' Beach due to moneyed residents such as Larry Ellison and Jeffrey Katzenberg. When the renovation is complete, the roughly 4,900-square-foot house will have a lush green-wall facade, a Zen garden, a sunlit infrared sauna and a cantilevered hot tub, Rivani said. The project is about 50% complete, he said.

Rivani's company, Black Lion, specializes in shopping centers and high-end restaurant spaces. The bet came about after a friend of Rivani's who works in residential real estate told him that flipping a high-end home is more challenging than the investments Black Lion was making.

Rivani said he scoured the market for an undervalued house. He scooped up the Mediterranean-style home, which had been on



and off the market for years, for \$19.55 million, significantly less than its onetime asking price of \$23.75 million.

"I thought with that kind of discount, it would allow me to spend a serious amount of money to make it look brand new," he said.

Rivani said he has taken the property "down to the studs," reconfigured and redesigned it. The resulting five-bedroom house was inspired by Rivani's travels, the Aman resorts brand, and the design of the nearby Nobu restaurant, he said.

The house is built around an interior courtyard with a pond, garden and outdoor fireplace. The living spaces will have limestone flooring and Onyx on the walls, along with travertine and Roman clay plaster. The bedrooms will have walnut parquet floors. Other features will include a gym, a



wine vault and a two-bedroom guest cottage. The custom windows and doors in the house cost about \$300,000, according to a spokeswoman for Rivani.

Rivani said he expects to finish construction by early 2024.

The design of the home, which is being listed by Chris Cortazzo of Compass, differs enormously

from the Beverly Hills home where Rivani and his wife, Krystal Rivani, lived before moving to Miami. That house, which the couple renovated at a cost of roughly \$4 million, was inspired by the HBO TV series "Game of Thrones." It included outlandish design flourishes, including a replica of the spiked iron throne on the show. They sold the home for \$16.8 million earlier this year, down from its \$21.995 million asking price.

Rivani said the design of the Malibu home is a departure from the couple's own personal style because he wanted to cast a wider net for buyers.

According to the terms of the bet, Rivani has until the summer of 2024 to make the agreed-upon profit. He thinks he can do it. "As long as construction doesn't delay me too long, I feel very, very confident," he said.

—Katherine Clarke



The house is built around an interior courtyard.

MANSION



The Art Deco home was originally owned by Irving and Nathaniel Eastman, twin brothers who owned a design company in the 1930s.

LIVING HISTORY

Bringing a '30s Home Back to the Future

A couple made it their mission to restore this Art Deco beauty to its original glory

By ANTHONY PALETTA

Futurist spaces will always get old, but you couldn't tell it in the case of a 1934 Miami Beach home, looking pristine thanks to comprehensive renovation.

Vic Ruggiero, 74, and his partner, Tony Ransola, 67, purchased the house in 2004 when they sought to relocate to Miami to be closer to work—in this case their touring company WorldGuest, which runs cultural trips to a variety of destinations in the Caribbean and Europe. This Art Deco property three blocks from the ocean exerted a strong lure. They soon learned that it contained far more history than they first realized. And it suited their interests perfectly.

"We don't belong in this era. I think we should have been raised in the '30s," Ruggiero said.

The house was designed by Robert Law Weed, a notable South Florida Art Deco architect, whose Grand Concourse apartments in Miami Shores are on the National Register of Historic Places.

The 1934 Miami Beach house, a swooping Streamline Moderne, built largely of concrete and steel. It features a hand-carved coral, Tropical-themed door surround and other décor elements devised by the original owners and de-

tailed in an original promotional booklet for the home. It contains numerous materials that were innovative at the time the home was built, and was powered entirely by electricity.

It was built as a winter retreat for twin brothers Irving and Nathaniel Eastman, two immigrants from Ukraine who founded a company producing set designs, interior designs, costumes and more. At their peak, they had some 200 employees, including the young Abstract Expressionist artist Willem de Kooning, and produced designs ranging from Ziegfeld Fol-

lies productions to hotel and country club lounges, according to the New York Public Library archive on the Eastmans.

Ruggiero was an art dealer in New York while Ransola was a fashion designer before their shift to concentrate on running WorldGuest, which they founded in 1997. They purchased the five-bedroom, five-bathroom, 4,394-square-foot Miami Beach house, which has a pool, for \$1.2 million in 2004. Modifications by prior owners had been less than sympathetic. Their quest was to restore its Art Deco spirit. Many original

elements were unfortunately gone. "Everything that could be ripped out and taken and resold was," Ransola said.

Some renovation tasks required unusual solutions, especially the front door, which is fronted in Formica. "We contacted all the Miami-based restoration companies, and no one had the craft expertise to restore Formica," Ruggiero said. One painter had an unexpected solution. "He suggested bringing the door to an automotive body shop. We went to our Mercedes dealership," said Ruggiero. Seven coats of Mercedes lacquer later, the door was ship shape.

The dining room originally featured horizontal leather banding which had been removed. Everything had been painted flat white by a prior owner. Ruggiero and Ransola replicated the original banded look with multiple layers of metallic paint.

There is a black Formica-lined entrance hallway. "It has a reflective quality to it so at night it gives you the illusion of black mirrors and gives you a sense of depth," Ransola said.

The floors of the living and dining rooms are original to the house, made of patterned concrete and coral and green quarry stone. "The original design outlined the living room in a green

coral color, the walkways in pink coral, and the dining room in light yellow. So you have rooms identified on the floor without the need of area rugs," Ruggiero said.

The home's furnishings are contemporary but inspired by French Art Deco, the work of award-winning designer Barbara Barry. The home is filled with the couple's wide-ranging art collection, featuring African tribal masks, photography and numerous canvases of Vanguardia art, Cuban Modernism from the 1930s to 1950s.

The house is now too large for them. They are selling for \$5.39 million, and will search for something smaller. The owners' quest was to restore something defiantly different, and they believe they have done so. "We love it, we understand it, and we figured out a way to solve it," Ruggiero said.

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The second-floor landing's Formica walls



The dining-room walls replicate the original pattern.

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MANSION

Secluded Fishers Island

Continued from page M1

Kean, author Rick Moody, former CIA director Porter Goss and Henry Luce III, the late publisher of Time magazine.

But you won't find these bold-faced names trumpeting their ties to the island: Fishers Island is exceedingly private. The island has two exclusive country clubs with yearslong waiting lists, according to several members. Homes trade infrequently and, when they do, sales are rarely publicized. Even Pierce Rafferty, the director of the island's Henry L. Ferguson Museum, said he has a policy of not speaking to reporters about the island.

"It's not that we're secretive or anything," said Thomas L. duPont, a longtime summer resident and commodore of the Fishers Island Yacht Club. "We're just a community that regards the welfare of others first, and you don't go talking about your neighbors to just anybody."

The reason for all this privacy? Maintaining the island's secluded sandy beaches and verdant landscape. To do so, generations of Fishers families have shunned development, fearing throngs of visitors, soaring home prices and traffic.

"People on Fishers...don't want to be like Route 27 on Long Island," said longtime summer resident George de Menil, in reference to the traffic-clogged main artery into the Hamptons. "If people get too interested, goodness knows—they may try to buy houses."

The retired economics professor said he and his wife were drawn to Fishers Island's natural beauty and bought a home in the 1970s. In the 1980s, they purchased an adjacent property with a house and cottage for their children.

Despite its proximity to New England, Fishers Island is a hamlet of Southold on Long Island. Measuring about 7 miles long and a mile wide, Fishers has a year-round population of approximately 250, a number that swells to roughly



Land price: \$500,000

Charles Haver and Stewart Skolnick built a tower-like beach house on Fishers Island after buying the land in 2012. From the one-bedroom house, they have views of nearby ponds, oyster farms and Block Island Sound.



Asking price: \$8.25 million

This spring, a glass-and-steel house built by Thomas N. Armstrong III, the late longtime director of the Whitney Museum of American Art, and his wife, Whitney "Bunty" Armstrong, went on the market.



Asking price: \$5.7 million

A Fishers Island home for sale is pictured. There are about 660 homes on Fishers, some 80% of which are used by seasonal residents, according to the town of Southold. The island has a mix of shingle-style, Colonial Revival and modern homes, including a number of historic houses.



FROM TOP: ROBERT BENSON PHOTOGRAPHY (2); SCOTT FRANCES/SOTHEBY'S INTERNATIONAL REALTY (GLASS HOUSE); ROSE VISUAL MEDIA COMPANY (2)

2,500 during the summer.

Homes on Fishers are significantly undervalued compared with places like East Hampton and Nantucket, Mass., locals said. Homeownership also tends to be generational, said real-estate agent Laurie Finan of Shutters & Sails. "People come and buy and stay," she said.

Historically, luxury sales prices have ranged from \$2 million to just over \$4 million. But like other second-home markets, prices nearly doubled during Covid, according to Jim Reid of Mystic Isle Realty.

In 2021, Texas investor David Porter and his wife, Dana Porter, paid a record \$6.5 million for a home, property records show. CBS Evening News anchor Norah O'Donnell and her husband, restaurateur Geoff Tracy, paid \$6.3 million for a seven-bedroom house last year, according to records. The Porters declined to comment. O'Donnell and Tracy didn't return calls seeking comment.

This spring, a house built by Thomas N. Armstrong III, the late longtime director of the Whitney Museum of American Art, and his wife, Whitney "Bunty" Armstrong, was listed for \$8.25 million. If it sells for that amount, it would set a record on the island, according to listing agent Leslie McElwreath of Sotheby's International Realty, whose family has a home on Fishers.

Locals said one reason the real-estate market has remained subdued is because Fishers has limited

Please turn to page M5



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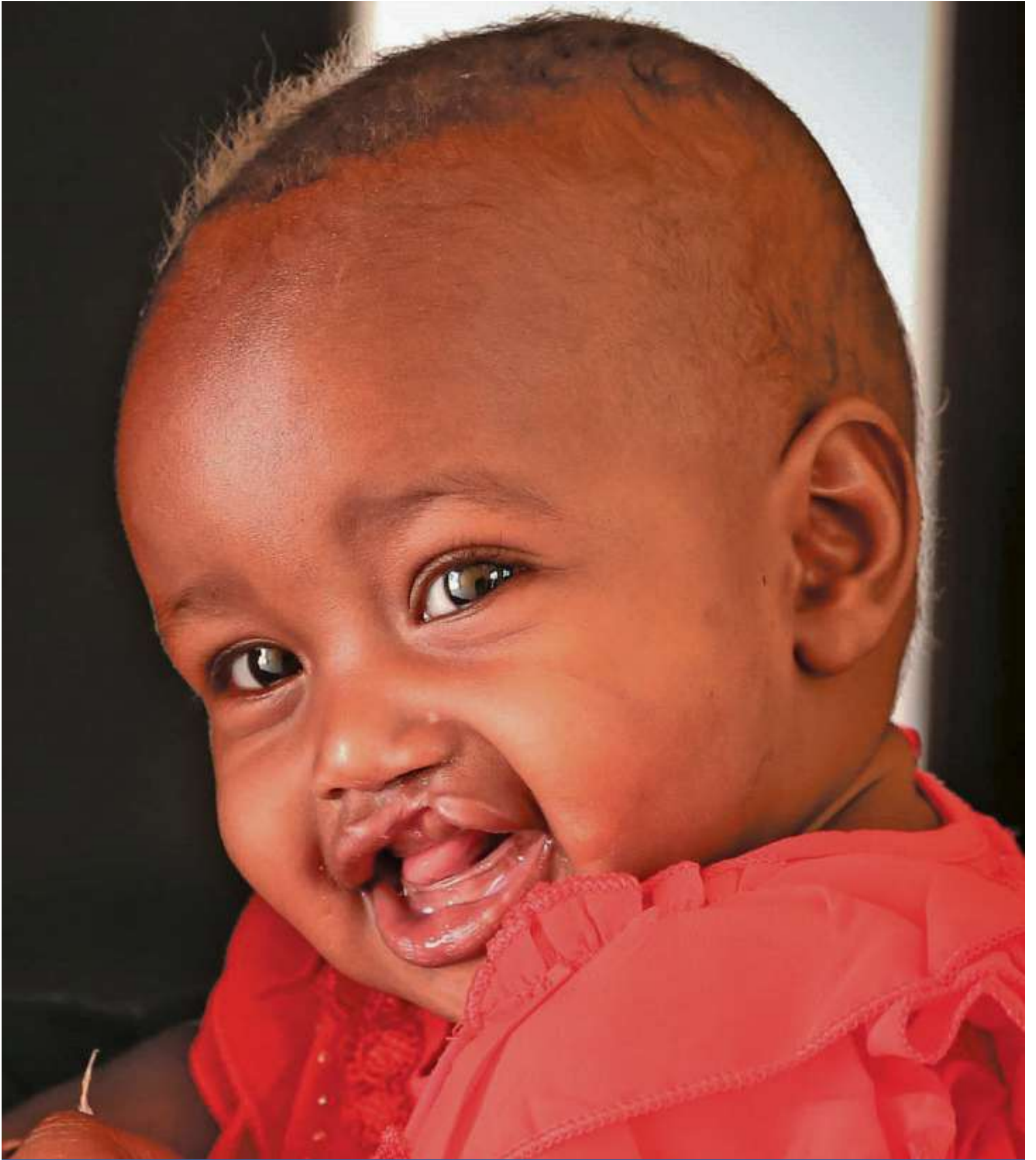
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MANSION



The Fishers Island Yacht Club, left, and the Fishers Island Club, above, are among the private clubs on the island. Known as the Big Club, the Fishers Island Club has a sought-after golf course and a years-long waitlist.

appeal to outsiders.

"It's not a tourist destination," said John McGillian, a summer resident who is president of the Island Community Board. In addition to the country clubs, Fishers has one restaurant and a few cafes, several churches, a grocery store and a community center. There is one school with about 70 students, according to its website. The quiet lifestyle is appealing to some, but can be a deterrent to outsiders. "A lot of people don't want to deal with that," McGillian said.

In recent years, longtime Fishers families and their children have dominated the buyer pool, agents said. That was the case in 2020 when investor Peter Rugg and his wife, Meredith Rugg, sold their house for around \$2.2 million to a longtime Fishers family. "We were thrilled it didn't get sold for the wrong price to some people who were the wrong people," said Peter Rugg, describing "wrong people" as those who wouldn't care for the property or community. "It's not about money," he said. "It's about preserving the wonderful thing Fishers Island has. It's a very family-centric enclave."

The Ruggs, who had an apartment in New York City, sold because they no longer had family on Fishers, and they decided to buy a home in Newport, R.I., he said.

Fishers hasn't always been so focused on privacy. In the late 1800s, the island was a seaside resort with grand hotels and a saloon.



In 1889, businessmen and brothers Edmund and Walton Ferguson purchased nine-tenths of the island for \$250,000, according to the Ferguson Museum. They banned excursion steamers and built a "first-class" resort on the western end of the island, according to the museum.

The hotels on Fishers failed one by one over the next few decades and around 1925, the Ferguson family created a private community on the eastern end of the island. Today, the East End is a gated area with few street names or house numbers, making it difficult for an outsider to navigate. "If you have no reason to be down there, you'd

have no reason to know what's there," said Sue Lusker, a year-round resident who works as a caretaker during the winter.

Summer residents are further insulated by the island's clubs, including the Hay Harbor Club and the Fishers Island Club, which has a sought-after golf course designed by Seth Raynor. The country clubs have yearslong waiting lists, several members said, and even then, membership isn't guaranteed.

"It's difficult to get in because there's so much legacy on the island, and families like to continue membership from generation to generation," said Rich Foyle, who has a summer home on the island.

Peter Rugg said some people who bought homes first and then tried to join the clubs have been "ostracized." He said it happened years ago to a friend of his, who ended up selling his house. "I tried to help him get into the clubs. It was like being the Big Bad Wolf and blowing on the brick house," he said.

Still, a handful of newcomers have purchased homes on Fishers in recent years.

Architects Stewart Skolnick and Charles Haver were only vaguely familiar with Fishers Island when they began house-hunting a decade ago. Finding Nantucket and Martha's Vineyard "too hectic," they fell in love with the quiet and undone quality of Fishers, Haver said. At the time, though, only one lot on the island was listed for sale.

Ultimately, their broker found another opportunity that hadn't come to market yet. The couple, who live and work in Roxbury, Conn., paid \$500,000 for two parcels totaling 3.1 acres in 2012 and spent the next several years designing a 1,200-square-foot beach house with a single bedroom.

Skolnick and Haver aren't members of the clubs and don't want to be. "We don't play golf or tennis so having a club membership wasn't a goal," Haver said. Instead, they enjoy entertaining small groups at home.

From their tower-like house they have views of several nearby ponds, oyster farms and Block Island Sound. "On a clear day, we can see Montauk," Haver said.

DOROTHY HONG FOR THE WALL STREET JOURNAL (3)



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MANSION

A House in The Cliffs

Continued from page M1

"I had good practice with many Spanish-speaking construction workers."

Completed this summer, the house, with its steel facade (mostly rust-colored, he says, to harmonize with the Sedona rocks), is visible to anyone driving on the Red Rock Loop Road, about 3 miles southwest of downtown Sedona. But back in 1999, when he acquired the land, Good was focused on the acreage at the bottom of the cliff. There, he built a 2,800-square-foot house and a 3,500-square-foot studio in which he ran a business making metal furniture and sculptures.

While living at the bottom of the cliff, Good says, "I loved hiking to the top every day, with a cup of coffee in the morning, or with a beer in the afternoon."

He says he made the climb at least 1,500 times, and has marked off seven different routes; his choice on any given day depends on weather, the direction of the sun, the skill level of anyone he's climbing with, and other factors. He was so enamored with the view, which encompasses Sedona's famous Cathedral Rock to the east and dramatic Mingsus Mountain to the west that he started thinking about building a home that gave him that perspective all the time. When the financial collapse of 2008 brought his business to a halt, he suddenly had time to sketch and plan.

A natural indentation 40 feet below the top of the cliff, called Cimarron Butte on some maps, seemed like a perfect place to build. But was it strong enough to support a house? Good had geo-technical engineers at the Phoenix company Western Technologies study the rock. They determined its compressive strength to be around 9,000 pounds per square inch, which is twice as strong as most concrete. But how would he get a house up there anyway? At one point, he decided to buy a prefab house and have it lifted up by crane. But that turned out to be impractical. "There's no crane big enough; they would have needed to bring a crane to build a bigger crane, and it would have taken three truckloads just for the counterweights, because the crane would have had to lift the house at 45 degrees," he says. That whole procedure,

he says, "would have cost more than \$300,000."

So he decided to design a house from scratch. Materials and people could be brought up in a gondola. Good began working with Accumar, a Washington state maker of "residential incline elevators," generally called gondolas or trams. This was one of the steepest they had ever built, according to Bill Carter, one of Accumar's founders. But before a gondola could be installed, someone had to remove several tons of rock that would have partially blocked its route.

Good, determined to do the work himself, hired professional mountain climbers to train him on how to lower himself down from the top of the butte—where he attached ropes to rocks or tree trunks—and up again. Then "every day for three weeks I was up here hanging from a rope and attacking the rock with a big Bosch hammer drill. The trouble is, when you're dangling, and you start to drill, you can't push, and so the drill doesn't go in. You have no leverage." He solved the problem, he says, with "persistence and acrobatics."

Then he built concrete landings for the tram at the top and bottom of the cliff.

The tram needed to be approved by the Sedona Fire District. "The first question isn't whether they can put out a fire; the first question is whether they can save you," Good says. He brought the fire marshal he persuaded the marshal the tram was up to the task.

The tram cost about \$185,000, he says, including cables, wiring, excavation, the landings, and installation by the only company he could persuade to do it—the Sandvold Elevator Company of Tempe. "That \$185,000 made the site usable," he says. "Not bad." Good customized the box so that, at 4 1/2 feet by 4 1/2 feet, it would be big enough for a wheel-

chair. But the "walls" of the box are just 3 1/2 feet high. Enclosing more of it, he explains, would cause more swaying in the wind, making travel uncomfortable or worse. But the openness can be scary. Several subcontractors declined to work for him, he says, "and many other workers crossed themselves before beginning the ride up or down."

But some subcontractors, he says, gave him "a discount just because they wanted to be up here." So far, he says, "There have been no serious problems." Unless you count the time the tram's hauling cables "got a bit frayed" and he had to replace them. By then, he says, the tram had carried more than 1 million pounds. Happily, "if there's a power outage, a generator kicks in immediately," he says, "which is good because you don't want to be stuck on the tram."

With the tram in place, Good began hoisting materials to the construction site. Most items fit easily in the cab. But for structural components, like 39-foot-long floor and roof joists, he had to hire a helicopter, which hoisted the joists up three at a time and dropped them exactly where he needed them. Each trip, he says, took about five minutes. Altogether, he says, the project required about 50 such helicopter trips, at a total cost of about \$23,000. (The helicopter pilot's last trip, he says, was to pick up his check.)

Other things also had to get up the hill. Water wasn't a problem. The buildings at the bottom of the cliff were already served by a 360-foot-deep-well, from which water was pumped to a 2,500-gallon tank atop the cliff. But running electric wires (including low-voltage wires for the tram controls) and a propane supply line required him to cut a channel in the cliff to provide a straight run.

Again, Good did the work himself, dangling from ropes with his hammer drill for the better part of three weeks. (There are also pipes leading down from the house. Greywater from baths, showers and sinks goes directly into the ground. Blackwater from toilets, washing machine and kitchen sink is collected in a 2,000-gallon septic vault that is pumped out several times a year.)

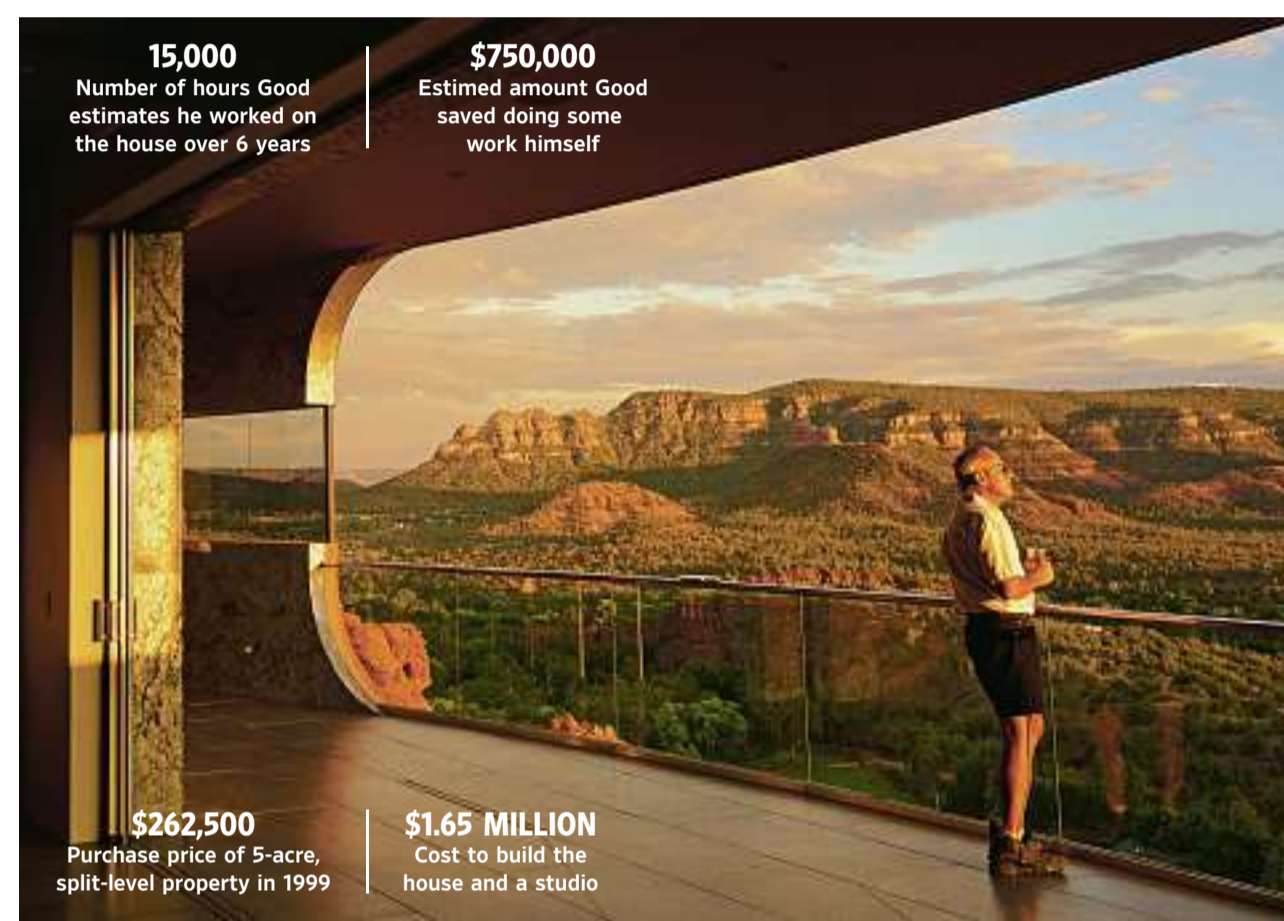
He also built a system of connected ladders, which he says he has climbed hundreds of times, often with a backpack full of tools. The aluminum ladders, which he made himself, allow him to travel up or down without entering neighbors' property or the adjacent Coconino National Forest, something he has to do on each of his seven trails.

The house is 2,150 square feet on two levels. He calls its style "ultracontemporary," given his choice of steel over the usual stucco throughout. Its spacious combination living room, dining room and kitchen (complete with Wolf stove and Viking oven) opens onto a cantilevered terrace which, if it wasn't already terrifying enough, is enclosed by a low (40-inch) wall made entirely of glass. Two bedroom suites flank the main living space.

The primary bedroom, a level below the living room, is reached by a round, capsule-like elevator. Thanks to the tram and the elevator, these main spaces are all reachable by wheelchair, says Good, who was encouraged by a disabled friend to maximize accessibility. Outdoor stairways lead up to a large rooftop deck and 30 solar panels arrayed like pool chairs at a posh resort.



Glendon Good shares the house with his wife, Milenka Bezic, their son, Jackson, and their dog, Pinky.



15,000
Number of hours Good estimates he worked on the house over 6 years

\$750,000
Estimated amount Good saved doing some work himself

\$262,500
Purchase price of 5-acre, split-level property in 1999

\$1.65 MILLION
Cost to build the house and a studio



Most of the windows overlook the valley, a few—including the large window over the kitchen sink—face directly into the cliff just inches away.



Good says that, on sunny days, the solar panels provide more electricity than he needs. He sells the excess to the local power company, which in turn supplies him with power on cloudy days, at

\$23,000
Cost of helicopter trips to bring building materials to the site

night, and in winter, when the house's heating load is high. During those cold months he pays a bit for electricity. For the rest of the year, he says, his bills are very low or even negative. He doesn't



hide-covered chaise longue is wide enough for two. "We all live this life with stuff. It might as well be beautiful stuff," he says. But not all the beautiful stuff was made by Good. "I did a lot of work here," he says, "but I couldn't do everything."

Overall, Good says, building the house and the 900-foot studio cost about \$1.65 million, or about \$540 a square foot. Of course, he did much of the work himself and, like many do-it-yourselfers, he valued his time at zero.

(Over six years, he estimates, he may have put in 15,000 hours—which at a rate of, say, \$50 an hour would be worth \$750,000.) In 2022, in one concession to cost, he sold the house and studio at the bottom of the cliff, along with one of his five acres. Good declined to disclose the sale price. He built a much smaller studio—just 900 square feet—and used the rest of the proceeds to pay for the new house.

Good was raised in Los Angeles, where his father, Robert Good,

200 FEET
Distance the house sits above the nearest road

her memoir, Marinoff wrote that the premise of one group of her oil paintings was "the high cliff as

my metaphor for the fragility of life, realizing that if my cliff collapsed, so would my life."

The cliff was also "formative," for Glendon, she writes. But, he says, he was never scared of it. "I was an avid skier. So I wasn't afraid of heights." Then he adds, "I spent a lot of time on ski lifts, so this whole tram that goes up and down makes perfect sense."

Good attended college at Tufts University and business school at Stanford University. After living in Santa Cruz, where he designed



was a physician and his mother, Elaine Marinoff, a homemaker in the process of becoming an artist. That process involved divorcing his father, a transition she describes candidly in her "Treasures: The Memoir of an Artist," edited by Good and published in 2019, the year after she died.

According to the memoir, when Good was about 7, Marinoff decided the family should have a new house, and the site she liked was at the top of a nearly 200-foot cliff facing the ocean in Pacific Palisades. "It was affordable because nobody thought you could build on it," Good says, which is precisely what he said about his own site. But she did build on it, and from then on the cliff was a constant presence in the lives of the Good family. In

sets for a modern dance company, he moved to Berkeley, where he lived happily for more than a decade. There, he built his furniture business, which he named Abraxas. But around 1997, he decided to move. "I was tired of living in a densely populated city," he says. He drove more than 5,000 miles, all around the western U.S., he says, "looking for the most beautiful place to live."

He identified several strong candidates. But when he got to Sedona, with its luminous red rocks, he says, "My jaw dropped. The rest is history." Good is proud of what he's built. Far from remaining anonymous, he put a plaque that has his

name and phone number at the foot of the driveway. In fact, it was by calling the number on the plaque that this reporter first got invited to visit the house.

Not surprisingly, Good's neighbors—a few dozen of whom can see the house from their own homes to the south—are curious about the project. He recently had some of them over for a party. "We invited 14 and 12 came," he says. "The tram holds four and the round-trip is about eight minutes so our parties will be on the small side."

Their reaction? "They loved it," he says of the house. "When you're in it, it's amazing." But when they're not in it, they might feel differently. "For the immediate neighbors it's a little rough," he says. "Some of them say, 'Darn, you ruined my view.'" And, he adds, ironically, "Views are important in Sedona."



FROM TOP: ANTHONY GAMBINO FOR THE WALL STREET JOURNAL; CA DRONEY KELLEY/TALE FOR THE WALL STREET JOURNAL; GLENDON GOOD

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Special Advertising Feature

Beyond NYC



A sprawling home in the Westchester village of Briarcliff Manor exemplifies why real estate in the area is so hot. Boasting five bedrooms and six full bathrooms, the spacious property offers families space to spread out with a picturesque backdrop and easy access to New York City.

PHOTO COURTESY OF HOULIHAN LAWRENCE

Westchester for the Win

With convenient access to Manhattan and abundant amenities, this county is a no-brainer for real estate

by Kelly Bryant

If you ask Debbie Doern, senior vice president of sales with Houlihan Lawrence, there's never a bad time to buy in New York's Westchester County.

"It's such a desirable county," Doern says. "There have been very few times over the years when Westchester has actually been a buyer's market. In fact, we're in an extreme seller's market right now, and as long as sellers price their houses judiciously, without reaching for the stars too much, they are in control."

Inventory in the area remains tight, even with the pandemic homebuying frenzy in the rearview mirror. It's tying up prospective sellers because they themselves are unsure where they'll land if they list their current property.

However, Doern sees some flickers of hope that the Westchester market will return to a slightly more balanced state, even if it continues to favor the seller. In part because she's seeing seasonality play out again, something that was missing in 2021 and 2022 with the pandemic surge.

"Summer is a slower time in real estate for a variety of reasons," Doern says. "Kids are off from school, people are taking vacations. And then, after Labor Day, we tend to see an uptick in inventory from anyone who may have waited to list over the summer."

LIMITING FACTORS

In Westchester's coastal city of Rye, roughly 25 miles from Manhattan, Christy Murphy shares a similar view of the market. A real estate broker with Julia B. Fee Sotheby's International Realty, the only thing hindering Murphy's ability to sell more homes is that there simply isn't enough supply.

Not even those rising interest rates are abating the demand for Westchester real estate. However, they are making sellers a bit wary of listing, another factor contributing to low inventory.

"For sellers, staging, painting and prepping homes are all still necessary to get top price. This is critical at any price range. Sellers have been married to their interest rates and don't want to give up the low rates they obtained in the last couple of years," Murphy says. "But we do encourage them to look beyond the rates because the house is actually the more important consideration. Mortgages can be refinanced. We like to say, 'You marry the house, you date the interest rate.' The thought is to get buyers and sellers to see the bigger picture."

In addition to those interest rate ties, there's very little unused land in Westchester County, particularly in the southern region. As a result, there's no place to create more inventory.

"Most of our builders are looking for a property with a tear down to build something new," Murphy says. "So then we have three groups of buyers vying for those same entry-level sort of properties: builders, first-time homebuyers and empty nesters. It's a competitive market and builders have to pay up to get those properties. In turn, the house they build will be a more expensive home, which can be out of reach for a first-time buyer."

CREATING SPACE

Despite Westchester's inventory hurdles, both Doern and Murphy maintain an optimistic outlook on their market.

For the buyers who are still paying above listing price for a home, Murphy feels certain the investment will pay off in the long run. "I always say you really want a location that will hold its value, and you'll find that here," she shares. "We do find some buyers have had to pay more than they would have historically. But if they buy for a location and invest in that location, they are more likely to recoup their purchase price and the improvements they make on that home."

Sellers on the fence about listing may need a little reassurance they will have a place to live if their home sells in a flash. Doern points to the many rental buildings available for the interim in Westchester. While the idea of moving twice may not be ideal, she says that's the purpose of these properties.

"They may not want to be in a rental long term, but these buildings work particularly well as a transition period for a downsizer," Doern says. "If there's any time to sell a property, it doesn't get any better than right now. There's so much demand and so little inventory. If a seller puts a property on at a fair price, they will realize a really nice return. And that may be worth living in a rental until they find a more permanent home."

But in the end, she thinks Westchester is worth the obstacles. Because while their market has ups and downs like any other, from Doern's 30-plus year career experience, their ups are often higher while their downs less unfavorable.

"We tend to recover better, sooner because of our desirability and proximity to the city," Doern states. "Westchester is a unique market in that way."



PHOTO COURTESY OF HOULIHAN LAWRENCE

In Rye, a 3,981-square-foot colonial home sits pristinely in the town's Indian Village community at 60 Mendota Avenue. The five-bedroom, five-bath property is zoned for highly rated public schools, another Westchester County draw. It's listed at \$2.53 million.



PHOTO COURTESY OF CHRISTY MURPHY/JULIA B. FEE SOOTHEY'S INTERNATIONAL REALTY

In a post-pandemic market, amenities like pools, guest houses and ample outdoor space are still in demand. Buyers want the ability to enjoy indoor-outdoor living while the weather permits.

While Westchester's real estate market experiences highs and lows as others do, agents and brokers agree it is quicker to recover when the industry takes a dip. Why? With the area's stellar schools and proximity to Manhattan, Westchester is nearly always a seller's market.



PHOTO COURTESY OF CHRISTY MURPHY/JULIA B. FEE SOOTHEY'S INTERNATIONAL REALTY



PHOTO COURTESY OF CHRISTY MURPHY/JULIA B. FEE SOOTHEY'S INTERNATIONAL REALTY

Home inventory is still limited, in part because there is little-to-no land left in Westchester for a new build. Instead, developers must compete with homebuyers for properties they can tear down to then create something new.

The Wall Street Journal news organization was not involved in the creation of this content.



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Beyond NYC

Special Advertising Feature

CHRIS C. SHAFFER

A waterfront townhouse in the Shippan area of Stamford, Connecticut, saw such a strong bidding process when it sold in August 2023 that it resulted in the highest-priced sale ever in the Palmer Landing complex at \$955,000.

The Scenic Route

Homes in Connecticut and Massachusetts offer a feast for the eyes and the soul

by Kelly Bryant

Five years ago Brian Levine and his wife Ellen traded in their Pennsylvania digs for a new home in Stamford, Connecticut. It had everything they wanted: relatively low property taxes, good schools and great diversity, with easy access to New York City, the ocean and the countryside. But in 2023, they looked around and decided it was time to downsize.

"Our kids are getting older and heading off to college in a few years," Brian says. "We didn't want to wait until we're empty nesters to make a move. Plus, we'd like to be even closer to the water. When we looked at the bigger picture, we felt that the market was strong for sellers, with low inventory, increasing prices and a pent-up buyer demand."

With that in mind, they listed their home with Larry Palma, a Connecticut realtor with William Pitt Sotheby's who specializes in Fairfield County. Palma has seen firsthand how the area's limited inventory has resulted in high-dollar volume sales relative to the previous two years of pandemic-fueled record-breaking sales.

"The biggest factor has been the raising of interest rates to intentionally cool off the hot real estate market," Palma says. "These actions are working as mortgage rates have doubled over the year, causing sellers to sit on their current low rates rather than move and absorb a big rate hike."

TIMING IT RIGHT

Despite reticence among many prospective sellers to list right now, Brian felt confident in the decision to sell. The home enjoys a prominent hilltop position, outfitted with all the modern conveniences one could want, plus unique amenities. For example, it features a hand-hewn, timber-framed pub that, as far as Brian knows, was imported from Ireland.

"We found a buyer in a relatively short amount of time," he says. "I feel if we had waited, we wouldn't have been able to realize the full value of the home because of the effect the increased mortgage rates are having on buyers."

While Brian and his family were ready to strike when they felt the iron was hot, Palma feels like there is still plenty of heat left to keep the Fairfield County market in demand.

"Being a suburb of New York City, I think the Connecticut towns I serve will outperform similar suburbs around the country," Palma says. "On a national level, you are seeing prices level off and even decline in some areas. Because of the massive density of New York City, we are still seeing strong numbers from Brooklyn and Manhattan seeking a lifestyle change and taking up residence in Connecticut."

BUILDING THE BERKSHIRES

To the north in Massachusetts' coveted Berkshires market, single-family home inventory is also scarce. Jeffrey Loholdt, global real estate advisor with William Pitt Sotheby's International Realty, anticipates that while the markets are behind last year's performance, they will see improvement in the second half of 2023.

"The limited inventory is keeping median sale prices higher, but new listings hitting the market are up since April this year, supporting the second half outlook," Loholdt says.

Fortunately for western Massachusetts, including the Berkshires, there is still room to build. Loholdt works closely with Woodhouse, the timber-frame company, offering design and build solutions for vacant, large acreage and smaller- to average-size building parcels.

"They have seen a significant uptick in new home package sales year over year, which could be the trend with current inventory levels and median home sale prices," he says. "Building a new home or guesthouse with a phased approach is a great way to enjoy the backdrop and lifestyle sooner in a challenged inventory-type market. Ultimately, I think land sales and new home construction will be more active in 2024."

Loholdt has a client who is in the final stages of building a new home in Williamstown. Nearing completion, they decided to list their other Williamstown property. It sold within a week, and near asking price. This came as a surprise to the sellers, but not necessarily to Loholdt, who understands the value of the location alone.

"In addition to the southern Berkshires, Williamstown in northern Berkshire County offers a picturesque setting with a centrally located college campus," he says. "And North Adams has been transforming into a cool artist-type draw with a contemporary art museum in the downtown area. It has a younger vibe with a great selection of restaurants throughout."

MOVING OUT

Despite many companies encouraging moves back to the office, buyers aren't giving up on the luxury of space, even if it's only enjoyed part time. And, of course, there's always the option to switch gigs.

"The job market is excellent in our area," Palma says. "People that feel secure about their jobs are more likely to trade up from their current home."

He recommends to not just view a home purchase as a financial investment, but as a lifestyle investment as well. "Find a town or neighborhood that makes you feel comfortable," Palma says. "Then embrace and contribute to the success of the community."

Similarly, Loholdt advises buyers to consider communities that may not have the acclaim of the Berkshires, but hold a lot of value in their amenities and close proximity.

"Just outside the Berkshires lies an incredible pocket of communities known as the Hilltowns," he says. "They're less known but offer some of the best fly fishing, white-water rafting and kayaking you'll find in the area. Large acreage farms and such become available from time to time in these areas, as well as exquisite homes near the five-college area of Amherst and Northampton. They are all worth a look."

Kelly Bryant is a freelance writer in Los Angeles specializing in real estate and lifestyle topics.



JEFFREY LOHOLDT/ COURTESY OF WILLIAM PITT SOTHEBY'S INTERNATIONAL REALTY

A sprawling 7,289-square-foot property at 123 Chestnut Street in Williamstown, Massachusetts, features four bedrooms and four-and-a-half baths on a 34.2-acre lot. It's outfitted with a pool, five-car garage, lush landscaping and a bevy of other bells and whistles. The home is currently listed at \$2.75 million.



JEFFREY LOHOLDT/ COURTESY OF WILLIAM PITT SOTHEBY'S INTERNATIONAL REALTY

Located in Leverett, Massachusetts, this five-bedroom, five-bath home at 36 Laurel Hill Drive provides a sense of tranquility and privacy while only a two-hour drive from Boston and 30 minutes from Amherst. The timber-frame construction complements the forested backdrop of the property.



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Mind the Appraisal Gap

If the house you're buying appraises for less than its contract price, it could affect your mortgage. Here's what to know.

While luxury home sales have declined in many markets, pockets of heated activity remain, where inventory is scant and bidding wars are still common. If you're looking for a home in one of these markets, should you make yourself a more competitive buyer by waiving the so-called appraisal gap to entice a seller to accept your offer?

Appraisal gaps, which occurred in 11% of residential transactions in June 2023, according to CoreLogic, a real-estate data and services provider, arise when homes appraise for less than the contract price. They often occur in tight markets where buyers have to bid above the asking price to secure a home.

"We're still seeing supply-and-demand challenges in certain markets," said Shawn Telford, CoreLogic's chief appraiser. "There are gaps between the contract price someone's willing to pay and what the market data shows the home would likely be selling for in a typical market without the undue influences of the fear of missing out."

Waiving the appraisal gap simply means that a buyer will move ahead with the purchase at the agreed-upon price no matter what the appraised value of the home. That's great for sellers—it means the buyer is serious and locked into the deal. But while waiving the gap may give buyers a leg up in a competitive bidding situation, it also shifts a tremendous amount of risk onto them since they can lose their down payment if they lack sufficient funds to make up the difference.

Although real-estate agents often refer to "appraisal waivers," in most states, there is in fact no appraisal contingency in a standard home-purchase agreement. Instead, the issue arises in the context of the mortgage contingency because a lender's mortgage commitment is conditioned upon receipt of a satisfactory appraisal. If the appraisal comes in for at least the purchase price, the deal proceeds as planned. If it comes in too low, however, that will affect the loan-to-value ratio used by a lender to qualify the buyer—and



often results in the lender approving a lower mortgage amount.

For example, for a buyer putting down 20% on a \$1 million home, the maximum amount of the loan would be \$800,000. But if the appraisal came in for \$900,000, under the 80% loan-to-value ratio the buyer qualified for, the lender would only finance \$720,000. If the buyer waived the appraisal gap, that means that the buyer would have to come up with \$280,000 in cash to close, rather than the \$200,000 originally an-

tipiculated. That's fine if the buyer has the additional cash on hand. But if they don't, and they can't qualify for a 90% loan-to-value mortgage, they may need to back out of the deal and face the loss of their down payment.

"If the appraisal comes in low, it's going to change the financing options," said Alec Hanson, chief marketing officer for loanDepot. "Even if the customer can still qualify on the new terms, maybe that's not what they want for their financial situation."

Donna Soda, an agent with Premier Sotheby's International Realty in Lakewood Ranch, Fla., said that appraisal waivers can incentivize a seller to accept one buyer's offer over another. She has had deals where the appraisal came in below the purchase price, and the buyer and seller renegotiated to lower the price. But she's also had a deal where her clients agreed to waive the appraisal gap and had to come up with an additional \$100,000 in cash at closing when the appraisal came in too low on a \$2.3 million

purchase. "That was during the pandemic buying frenzy," Soda said. "In 2020 and 2021, you would blink your eyes and a property would be off the market."

Here are some other things to consider before you waive an appraisal gap.

Be cautious. Waiving the appraisal gap means that you, as the buyer, will need to complete the purchase no matter the amount of the appraisal, so make sure you have sufficient cash on hand to make up the difference. Be aware that you are overpaying for the house, so do your due diligence beforehand by checking public records for recent sales or asking your real-estate agent for research on comparable sales. Then, make an informed decision based on the data, not an emotional one based on a fear of missing out.

Cap your liability. If you decide to waive the appraisal gap, limit your liability. For example, you can offer to waive the gap up to \$50,000, rather than leaving it open ended. That way you won't end up paying \$800,000 for a home worth \$600,000.

Request a reconsideration. According to the Consumer Financial Protection Bureau, home buyers can ask a lender for a "reconsideration of value" if they feel the original one is inaccurate. Borrowers can point out errors or omissions in the appraisal, such as the use of properties that were not comparable. Deanna Kory, an associate broker at The Corcoran Group in Manhattan, worked with buyers of a New York City condominium where the purchase price was \$4.924 million but it appraised for 10% less. Kory noticed that the appraiser relied on a sale she didn't consider comparable and ignored two recent comparable sales that would have made a "tremendous difference in value." She requested reconsideration and submitted a five-page document refuting the comparable sales the appraiser had selected. The appraised value of the unit was increased to the purchase price, and the deal went through.

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Riverfront McLean Estate is One of Virginia's Priciest

A riverfront home in McLean, Va., is listing for \$25 million, making it one of the priciest homes for sale in the state.

The roughly 4-acre property has about 210 feet of frontage on the Potomac River, according to listing agent Mark Lowham of TTR Sotheby's International Realty. Located in one of the most sought-after neighborhoods in the area due to its proximity to Washington, D.C., the home is a few doors down from Merrywood, a childhood home of Jackie Kennedy Onassis, which sold for \$43 million in 2018.

The approximately 9,000-square-foot, French-style house was built in the 1970s by the late couple Mary Lee and A. Smith Bowman, Lowham said. The Bowmans bought the lot in 1977 for \$300,000, according to property records.

Much of the property's value is

in the land, Lowham said. The seven-bedroom house hasn't been renovated since the 1970s, he said, and the new owners will likely build a new home or remodel the existing one. Most lots along the river in McLean sell for upwards of \$20 million, he said, and last year, he sold an empty lot nearby for around \$23 million.

The Bowman property is priced to sell, he said. A. Smith Bowman, who co-founded A. Smith Bowman Distillery in Virginia, died in 1981, and his wife lived in the home until her death last year, according to Lowham. The couple had no children, Lowham said, so the property is being sold by Mary Lee Bowman's estate. The family didn't respond to requests for comment.

The home was designed in a Classical French style, with a limestone and stucco exterior and



The home has a wood-paneled library.

a large pea gravel parking court. "A French-style home is unusual for Virginia," said Lowham. Inside, there is a dining room with antique wallpaper and a mahogany-paneled library with a marble fireplace. Taking up much of the

second floor, the primary suite has two bathrooms, dressing rooms and sitting rooms.

Mary Lee Bowman frequently entertained in the home, according to Lowham. At either end of the main level are octagonal sun-

rooms, one for watching the sunrise and the other for watching the sunset, he said.

—Libertina Brandt

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I am inspired. I hope you will be, too. I've just come out of some of the most informative and energizing meetings, full of ideas and strategies. Here in Dallas, we've been hosting CEOs and presidents from some of the brokerages in our Peerage Realty Partners family, plus corporate leaders who include Gavin Swartzman, president and CEO of Peerage Realty Partners, and Trevor Maunder, president and CEO of Peerage Capital Group.

Here's the backstory: It has been almost two amazing years since Peerage Realty Partners formalized a substantial partnership interest in Briggs Freeman Sotheby's International Realty. Peerage is a private-equity investor in the luxury real estate realm, especially top Sotheby's International Realty® affiliates like us: well-established firms with

strong brands and equally strong reputations for offering their clients a luxury experience and trusted advice. As part of its holdings, Peerage now owns Sotheby's International Realty affiliates in Canada, California, Florida, Illinois and more. Thanks to its strategic plan, Peerage Realty Partners has been ranked the eighth-largest brokerage in the U.S., with 7,500 best-in-class agents and employees in 275 offices and more than \$52 billion in sales, annually.

So, when I tell you that these amazing minds got together for a few days of brainstorming, you can imagine that the energy was on full tilt. We talked about industry trends and refining our special tech stack for agents. We analyzed markets and set new benchmarks for measuring success. We planned our 2024 — and beyond.

(We did take some breaks, for a gourmet Mexican dinner in Dallas and a raucous rodeo in Fort Worth. When in Texas ...)

What does all this mean to you? Even more support for your favorite Briggs Freeman Sotheby's International Realty agent and even more value for you. This unique partnership provides strategic input, capital, technology, operational expertise, marketing and more — all to enhance your experience with us, every time.

There is nothing like it. The industry is taking notice. I hope you do, too.

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Don't miss our executives' weekly thoughts, always on briggsfreeman.com/blog

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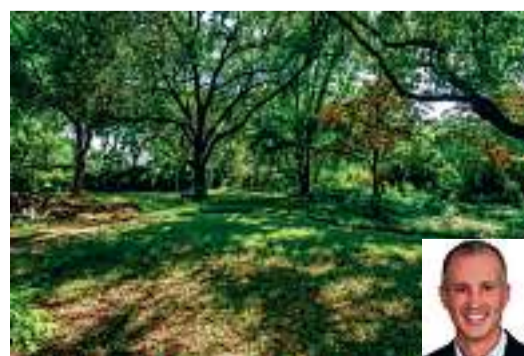
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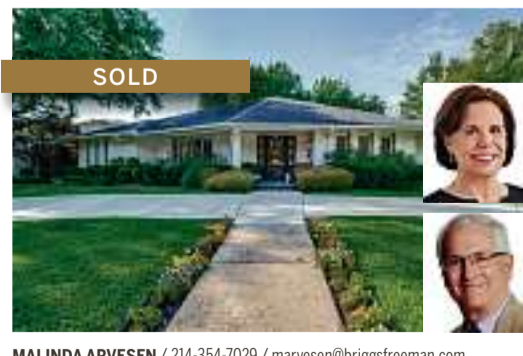
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MANSION

HOUSE CALL | JAMES ELLROY

He Had a Pulp-Fiction Childhood

'The Enchanters' novelist on his mother's murder, his crime obsession and Marilyn Monroe's death

The happiest moments of my childhood? I spent them reading hard-boiled thrillers and watching early 1960s TV crime shows like "Naked City" and "77 Sunset Strip."

I was a poor kid. For a time, we lived on the south edge of Hollywood in L.A. I'd walk my dog late at night, look in windows in Hancock Park and dream.

These were book-related excursions. I'd been gobbling up stories of bad men in love with strong women set in my hometown.

I lived first with my mismatched mom and dad in an apartment house behind a Lutheran church. I loved going to that church alone. It was a righteous respite from my bickering parents.

My father was an uncertified accountant and a Hollywood bottom-feeder. He was a math whiz who often made vast sums of cash working for drugstores taking eyeball-inventories of items on their shelves.

My mother was a registered nurse and a confirmed juicehead. My parents' big marital problem was that my mother liked men. My dad liked women.

I soon became a rambunctious child of divorce. Mom got primary custody, and we moved to a skunk town in the San Gabriel Valley. It was hotville, so hot you'd see a dog chasing a cat—and they'd both be walking.

We lived in a stifling little backhouse. My mom was out often and fed me canned spaghetti and off-brand cola.

I became a latchkey kid as soon as I could unlock the front door. I was free to bum around and do what I wanted—namely, read, go to the movies and fantasize about girls and solving crimes.



James Ellroy at the Hotel de las Letras in Madrid in 2022, above, and top right, with his mother, Geneva, in 1951.

Then June 22, 1958, slammed me. I was 10. I was returning home in a cab after spending the day at my dad's place in Hollywood. As we neared my mother's building, I could see the front yard was full of cops.

When I got out, one of them said, "There's the kid." A plain-

clothes sergeant came over. He told me my mother had been killed. She was murdered and dumped in some bushes adjoining a local high school.

Strangely, I wasn't shocked or hurt. I knew what it meant, that I could go live with my father. That night, I moved in with my old

man. He provided me with a place to sleep and fed me Wheaties and hamburgers seven days a week.

My mother's murder was never solved. I lived by my own weirdo-kid code and set my own agenda.

Man, did I read. I had a rocket-fueled imagination. When I ran out of books, I'd hotfoot it over to Crown Liquor and raid the paperback racks. I had a paper route and spent all my money on pulp-crime books.

My father knew I loved Jack Webb in TV's "Dragnet." He gave me Webb's book "The Badge." It was a hopped-up version of "Dragnet"—one true, terrifying crime story after the other.

High school was a rough ride. I did poorly. I was a kid out looking for trouble. There were a million kids like me back then—kids who were essentially harmless but were seasoned fantasists.

I got kicked out of school for the second time in 11th grade. I took a job shelving books at the Wilshire Branch Library. The gig gave me unlimited access to crime novels and jazzy thrillers.

I spent my 20s in and out of brief county-jail stints. I was arrested for sundry misdemeanors like drunk-and-disorderly conduct, disturbing the peace and petty theft.

I got sober in 1977 and started writing in '79. I had a story I wanted to tell that became "Brown's Requiem," about an L.A. detective embroiled in a web of twisted passions. The manuscript was rejected a dozen times. Then Avon Books bought the novel and published it in 1981. I was 33. I've been at it for 44 years.

I'm an old guy now. I moved out of L.A. 40 years ago. I don't



want to see how the city has changed. I like the place just as I remember it.

Today, I live in an apartment building in downtown Denver. My second ex-wife lives down the hall. We've got a great thing going. It's straight out of film noir.

I love Midcentury Modern furniture. I have 10-foot-high, built-in bookshelves stuffed with crime novels and true-crime books. My originals are gone, but I've repurchased many of them. I'm horribly sentimental.

—As told to Marc Myers

James Ellroy, 75, is a crime writer best known for his novels "The Black Dahlia," "L.A. Confidential," "American Tabloid" and "Perfidia." Four of his books have been turned into films. His latest novel is "The Enchanters" (Knopf).

JAMES'S PAST



'The Enchanters'? It's a fictionalized account of Marilyn Monroe's overdose in the summer of 1962.

Writing space? At my office desk, using a pen and white notebook paper. I don't have a computer or a cellphone.

Early motive? When I was little, my parents had a closet filled with news magazines. I always looked at the pictures. I was obsessed with the past back when it was the past.

Father? He died when I was 17. I think he would have gotten a charge out of my books and everything else that I've been able to accomplish.

FROM TOP: JAMES ELLROY (FAMILY PHOTO); ATILANO GARCIA/SOPA IMAGES/GETTY IMAGES; 20TH CENTURY FOX FILM/EVERETT COLLECTION

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