

### THE WALL STREET JOURNAL.

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**YEN** 139.38

**Last week: DJIA** 33876.78 ▲ 114.02 0.3%

**NASDAQ** 13259.14 ▲ 0.1%

**STOXX 600** 460.01 ▼ 0.5%

**10-YR.TREASURY** ▼ 14/32, yield 3.744%

**OIL** \$70.17 ▼ \$1.57

**EURO** \$1.0750

#### What's News

#### Business & Finance

- ◆ George Soros, the legendary investor, philanthropist and target of the right wing, is handing control of his \$25 billion empire to a younger son, Alexander Soros, who wasn't thought to be a potential successor. A1
- ◆ Francis deSouza resigned as Illumina's chief executive after he lost support from some board members following his pursuit of a \$7 billion deal that was rejected by antitrust regulators and triggered a proxy battle with Carl Icahn. A1 **♦ The company resisting** a
- U.S. request to recall 67 million potentially dangerous airbag inflators is a firm that has been cited for workplacesafety violations and sued for claims of poor welding on some shipped components. B1
- ♦ Nike is going back to some retail partners it had broken up with, as the company seeks help to clean out its inventory. B3
- **◆ Andreessen Horowitz** will open its first international office in London in the fall to back cryptocurrency startups based in the U.K. **B3**
- **♦ Glencore approached** Teck about buying its coal assets, according to people familiar with the matter, providing an alternative to Glencore's proposal for a merger of the two mining companies. B3

#### World-Wide

- ◆ The case of U.S. vs. Donald J. Trump will pit a Justice Department prosecution backed by meticulous detail against a defense expected to play down the significance of the criminal charges and point to the vast powers of the presidency. A1, A4
- ♦ Ukrainian troops thrust their new Western tanks at several points along the Russians' defensive lines in the first days of their big offensive, with varying success. A1
- ◆ Moscow police arrested an American musician living in Russia on drug charges that could carry a sentence of up to 12 years in prison, Russian news services reported. **A8**
- ♦ A first-of-its-kind climate trial is set to begin in Montana, where a judge will determine whether the state's constitution obliges public officials to do more to address global warming. A3
- ♦ Church officials' response to sexual abuse and the guestion of whether women can be pastors will take center stage at the Southern Baptist Convention's annual meeting in New Orleans this week. A5
- ◆ Police arrested Scotland's former leader Nicola Sturgeon as part of a probe into her party's finances, the latest twist in a scandal that has undermined the Scottish independence movement. A7

#### **JOURNAL REPORT**

C-Suite Strategies: How to tell if you're the office jerk. R1-8

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#### **Djokovic Takes Grand Slam Lead With Paris Win**



FLAT OUT: Novak Djokovic of Serbia reacts after defeating Casper Ruud of Norway in the French Open on Sunday. The win is Djokovic's 23rd Grand Slam and puts him ahead of rival Rafael Nadal, who missed Roland-Garros because of an injury. A14

#### **George Soros Hands Control** Of Empire to 37-Year-Old Son

By Gregory Zuckerman

George Soros, the legendary investor, philanthropist and right-wing target, is handing control of his \$25 billion empire to a younger son—Alexander Soros, a self-described center-left thinker who grew up self-conscious of the family's wealth and wasn't thought to be a potential suc-

The 37-year-old, who goes by Alex, said in the first interview since his selection that he was broadening his father's liberal aims—"We think alike,"

the elder Soros said—while embracing some different causes. Those include voting and abortion rights, as well as gender equity. He plans to continue using the family's deep pockets to back left-leaning U.S. politicians.

"I'm more political," Alex said, compared with his father. He recently met with Biden administration officials, Senate Majority Leader Chuck Schumer (D., N.Y.) and heads of state, including Brazil's President Luiz Inácio Lula da Silva and Canada's Prime Minister Justin Trudeau to advocate for issues related to the family foundation.

The Soros's nonprofit Open Society Foundations, known as OSF, directs about \$1.5 billion a year to groups such as those backing human rights around the world and helping build democracies. Foundation money also goes to universities and other educational organizations. The Soros super PAC, Democracy PAC, has backed the election campaigns of district attorneys and lawenforcement officials seeking to reduce incarceration rates

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Alex Soros in New York

#### Trump, Special Counsel **Plot Early Strategies**

Arraignment set for Tuesday in a legal battle that comes as '24 primary heats up

By C. RYAN BARBER AND JAMES FANELLI

The case of U.S. v. Donald J. Trump will pit a Justice Department prosecution backed by meticulous detail against a defense expected to play down the significance of the criminal charges and point to the vast powers of the presidency.

Trump's legal team is likely to seize on two key factors as it mounts a courtroom defense against a detailed 37-count indictment brought by special counsel Jack Smith: his past presidential powers to declassify documents and the looming 2024 election, for which Trump is the early Republican front-runner. It will also seek to benefit from the trial's Florida venue.

Trump and his alleged coconspirator, Walt Nauta, are scheduled to be arraigned Tuesday in Miami for a court battle that will play out during much if not all of next year's campaign.

In the indictment unsealed Friday, Trump was charged with knowingly retaining classified documents he kept after leaving the White House in 2021 and later obstructing the government's efforts to retrieve them. Former federal Please turn to page A4

◆ Miami braces for Trump's

#### Illumina's **CEO Quits** In a Win For Icahn

By Peter Loftus

Francis deSouza resigned as Illumina's chief executive after he lost support from some board members following his pursuit of a \$7 billion deal that was rejected by antitrust regulators and triggered a proxy battle with Carl Icahn.

Illumina's revamped board is expected to take steps to potentially pursue a divestiture of cancer-test developer Grail, now that the deal's biggest champions, including deSouza, are gone, according to people familiar with the matter.

That would mark a major shift for the maker of gene-sequencing machines after it pledged to fight regulators who opposed Illumina's deal to acquire Grail. The CEO decided to resign after a board ally of Icahn, the billionaire activist investor, signaled that he wanted deSouza to step down, people familiar with the mat-

General counsel Charles Dadswell is serving as interim chief executive while the board begins a search for a permanent successor, Illumina

The departing CEO, who will remain an adviser until July 31, had been with Illumina since 2013 and served as chief execu-Please turn to page A4

#### **INSIDE**



#### **BUSINESS & FINANCE**

Former Disney boss Eisner wants \$700 million for Bazooka gum. **B1** 

#### **U.S. NEWS**

The summer's hottest job market for teens is in leisure and hospitality. A2

#### At Start of Kyiv's Offensive ORIKHIV, Ukraine—Ukrai-

nian troops thrust their new Western tanks at several points along the Russians' de-By Ian Lovett,

Marcus Walker and Matthew Luxmoore fensive lines in the first days

of their big offensive. Some assaults went better

than others.

"There were more of them than we expected," said a 35vear-old platoon commander with Ukraine's 21st Mechanized Brigade, who took part in an assault near Orikhiv in the southern Zaporizhzhia region. His German-made Leopard II tank cut down Russian infantry, but another line of soldiers

stepped in to replace them,

and then another, he said.

Ground Gained, Tanks Lost

Rocket-propelled grenades whistled past. Some bounced off the tank. The fields were covered in mines. Gains were smaller than hoped for. Other units made more progress further east, taking

mander said. Ukraine's summer offensive could decide whether the

villages near the town of

Velyka Novosilka. "It's just the

beginning," the platoon com-

country succeeds in casting Russian forces out of some of the nearly 20% of Ukrainian territory they currently occupy. A successful offensive could encourage the U.S.-led West to continue to supply Kyiv with arms and money.

A failure could intensify international calls to freeze the fighting and negotiate with Please turn to page A8

◆ Patriot missile is a hero of Ukraine war..... A8

◆ U.S. citizen held by Moscow

on drug charges.... ♦ Family stayed on until

Bakhmut fell...

#### Hate Baggage Fees? Wear a Fishing Vest on the Plane

Travelers jam clothes in the pockets. 'It allows me to have really cheap vacations.

By Harriet Torry

Peter Barnett was galled by increasing airline baggage fees, both for checked and carry-on luggage. He went fishing for a solution.

Barnett, a personal assistant to a film director, bought a multipocketed vest fit for a day out catching bass. In went his rolled-up

tie, shoes and charger cables. There was a pocket big enough for his laptop.

"I just carry it on, 'this is my jacket.' They don't know what's in there," he says. Once on board he sticks it in an overhead bin. "It allows me to have really

cheap vacations." Americans are facing stubbornly high prices, pesky fees, and confus-

#### **Tip Screens Put Clerks** In Awkward Spot, Too

By Oyin Adedoyin

Delossantos, Jason barista at Tidal Tea in New York City, often has to teach his customers how not to tip.

Two teenagers recently asked him, voices hushed, how to bypass the tip screen while other customers waited in line at the bubble-tea shop. Delossantos showed them: Tap "customize," and select zero. Sensing they felt guilty for

stiffing him, he said it was OK. The expansion of point-oftrousers, shirts, hat, Catch a break Please turn to page A2 | sale technology that prompts

customers to tip at coffee shops, convenience stores and fastfood restaurants has caused no shortage of angst for consumers who wonder what, or whether, to tip when they purchase chewing gum or a latte. The baristas and checkout staff on the other side of the tip screen have said the interactions are no less awkward for them, even if the tip prompts put extra money in their pockets.

The pandemic spurred scores of businesses to shift away from cash payment and

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#### U.S. NEWS

from ielts2.com

THE OUTLOOK | By Stella Yifan Xie

#### China Risks Slower Growth as It Trims Debt

fter years of heavy borrowing, many in China are focused on paying down their debts this year—and the result could be weaker growth for a long time to come.

The world's No. 2 economy binged for years on credit to finance everything from canyon-spanning bridges to new apartments.

Now China finds itself facing a protracted period of what economists call deleveraging—the painful process in which borrowers divert income to pay down debts instead of spending and investing.

Total credit to the nonfinancial sector was \$49.9 trillion last September, more than triple the level of 10 years ago, according to the Bank for International Settlements, a consortium of central banks. The figure has begun to drop in dollar terms from \$51.4 trillion at the end of 2021, though in local currency, the debt continued to climb.

Total social financing outstanding, a broad measure of credit and liquidity in the economy, expanded by 10% in 2022, compared with growth

of 15% in 2017 and 19% in 2012, according to Wind, a Chinese data provider.

The issue isn't the central government, whose debts are relatively low as a percentage of gross domestic product, but households, the private sector and local governments. Total debt as a share of GDP hit 295% in China last September, surpassing 257% in the U.S. and an average of 258% in the eurozone, BIS data show.

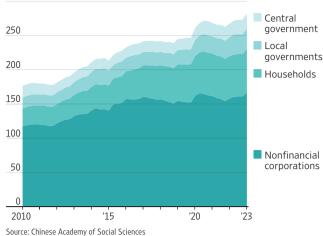
Consumers are hoarding cash, with many refusing to take out loans. Private businesses are barely investing, despite efforts by Beijing to encourage entrepreneurs to spend. Local governments are reducing expenditures on everything from roads to workers' salaries to get their debts under control. "Borrowers that are fo-

cused on paying down debt are less able to fund new projects that would increase GDP growth," said Nicholas Borst, director of China research at Seafarer Capital Partners.

Other countries have been through similar processes, almost always painful.

In Japan, the collapse of a

China's debt as a share of gross domestic product, quarterly



real-estate bubble in the 1980s and 1990s compelled corporations and individuals to pay down debt instead of taking out new loans, even after interest rates fell to zero. The ensuing drop in demand led to a vicious cycle of deflation and economic stagnation.

In the U.S., the buildup of subprime mortgage debt in the 2000s helped trigger a financial crisis. That led to years of deleveraging, weighing on consumption and

A study by McKinsey found that in 45 episodes of deleveraging since the Great Depression, 32 followed a financial crisis. Most economists don't expect a financial crisis in China, or even a harsh recession, because they assume the central government has the financial wherewithal and inclination to prevent either.

Economists at Société Générale in a recent report said Chinese policy makers need to learn lessons from

Japan and prevent a deleveraging mind-set from becoming entrenched, by restructuring more debts or offering direct income support to households to boost consumption.

If not, the economists warned, China could fall into a trap in which even zero interest rates wouldn't stimulate growth. "Such a danger seems increasingly relevant for China," they wrote.

thers think Beijing will tolerate slower growth. Since 2016 it has discouraged off-balancesheet borrowing by local governments, reined in private conglomerates that were snapping up hotels and other trophy assets overseas, and capped new lending to property developers. That had only limited success restraining debt.

As a result, "the bias of policy will continue to be pushing down leverage wherever they can, even if it causes growth to go lower,' said Arthur Kroeber, founding partner of Gavekal Dragonomics, a research consulting firm.

He estimates that China's

underlying growth rate could slow to 2%-4% in the coming decade, from 6.2% in the past decade and 10.6% in the decade before that.

"The only way to keep China's growth rate high is to let debts keep growing, said Michael Pettis, a finance professor at Peking University. "It appears policy makers are choosing a

Consumers, who Beijing hoped would help drive growth this year, haven't kept splurging after an initial burst in spending when the government lifted Covid controls late last year.

harder constraint on debt.'

Despite low interest rates, many homeowners are rushing to prepay their mortgages. Li Si, who bought her first apartment in Zhongshan, a city in southern China, in 2019, said she decided to pay off her mortgage early after losing money investing in mutual funds over the past year. She said she felt safer reducing her debt exposure.

"The economy feels far less certain now," said Li, 33 years old, who works in the financial industry. "What if I lose my job tomorrow?'

#### Leisure, Hospitality Jobs Are the Summer's Hottest

By Oyin Adedoyin AND SARAH CHANEY CAMBON

Swim instructors, ice-cream scoopers and camp counselors  $\mathbf{\xi}$ are among this summer's most sought-after workers. Office interns? Not so much.

Americans are spending on summer travel, dining out and ₹ day camps, resulting in an # abundance of better-paying jobs for teens in a surprisingly robust U.S. labor market. Postings on Indeed.com for summer jobs remain well above prepandemic levels, though not quite as high as last year. when worker shortages caused restaurants, pools and camps to reduce hours.

Workers in search of internships might not fare as well. Job postings on Indeed.com for summer interns are down more year-over-year than ads for other summer jobs as many white-collar companies slow hiring or cut jobs.

Many summer jobs are available in fast-growing leisure and hospitality businesses, which often hire entrylevel workers without college degrees. Restaurants, summer camps and similar businesses are broadly still trying to staff up to prepandemic employment levels, creating job opportunities for teens, in-

cluding Kylie Castello. Castello, a 17-year-old in San Jose, Calif., is working for the second summer as a swim instructor where she leads one-on-one sessions, mainly with elementary schoolers.



Nandhini Natarajan is making \$14 an hour plus tips this summer preparing Italian ice at a Rita's in Hunt Valley, Md.

teaches them swim strokes and how to tread water, and adds rubber ducks floating rings into the pool for a splash of fun.

She wasn't looking for work until her former swim coach came calling last summer. 'They really wanted more swim instructors, so it was fairly easy for me to find a job," she said.

Castello is making \$20 an hour, up from \$16 last summer. She said the extra money will help her save up for college in the fall.

Employers reported 10.1 million job openings in April, far exceeding the 5.7 million unemployed job seekers. About 20% of those were in fields such as entertainment, food service and retail.

'We have a widespread labor shortage in the American economy, and that's pushing up wages, especially teen wages," said Paul Harrington, an economist at Rhode Island College. "That's going to bring kids into the job market."

Harrington predicts the highest share of teens will hold jobs this summer than any other since 2008.

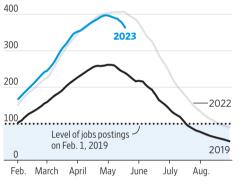
Teens also are benefiting from less competition. The pandemic drove many older workers-who might otherwise pursue the same part-time jobs teens take—out of the labor

market, Harrington said. Wages are rising briskly for summer positions, though they tend to be in lower-paying fields. Workers at restaurants, hotels, fitness centers and summer camps all saw faster wage increases in April from a vear earlier than all private-sector workers.

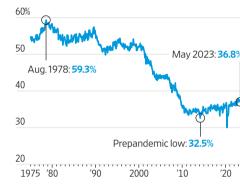
Nandhini Natarajan, 18, is making \$14 an hour plus tips this summer preparing Italian

Demand for summer workers is well above prepandemic levels with just about 37% of teenagers age 16 through 19 working or seeking a job.

#### Index of summer job postings in the U.S. for select years'



Labor force participation rate. 16- to 19-year-olds

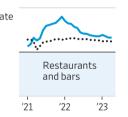


Wage growth is beating the national average in industries that often employ seasonal

#### Average hourly earnings, change from a year earlier









Note: Participation rate, hourly earnings and payrolls are seasonally adjusted Sources: Indeed (job postings); Labor Department (participation rate, hourly earnings and payrolls)

ice at a Rita's shop in Hunt Valley, Md. Her pay is well above the \$10.75 plus tips she made when she first started the seasonal job three years ago.

"I was debating on getting another job this year to help me save a little more money, but my raise at Rita's allowed me to just work one job and enjoy my summer," she said.

For some summer positions, there still aren't enough workers. Lifeguard shortages, in particular, are lingering and preventing some pools and beaches from opening.

Seattle Parks and Recreation said that four pools and three beaches would remain closed until the department could reach sufficient staffing levels. For lifeguards, the city is dangling starting wages of \$21.05 an hour.

About 37% of teens are working or seeking a job, up from a prepandemic low of about 33% in 2014. Still, far fewer teens are looking for work than in 1978, when that share hit a high of 59.3%.

Economists point to several reasons fewer teens are seeking jobs, including a shift in teen priorities. Summer courses, unpaid internships and extracurricular activities replaced time available to bag groceries, wash cars and wait tables.

Summer employment is broadly following a wider job market trend. Lower-wage, service-providing jobs are growing quickly while hiring has slowed in the past year for tech, finance and other business jobs.

Job postings for summer internships were down 14.7% on May 19 from a year earlier, according to Indeed.com.

#### Fliers Reel In a New Travel Hack

Continued from Page One ing surge pricing and airline rules. Some of them are rebel-

"Two can play that game," says Chelsea Dickenson, who dispenses tips on cheapholidayexpert.com.

She has removed the memory foam from her travel pillow and jammed in clothes. For a flight from London to Lisbon earlier this year, she bought a 15-pocket fishing/safari vest on Amazon for about \$14 and used it as wear-on luggage.

"I see it all the time," says Patrick Berry, the president and CEO of Fly Fishers International who travels frequently and notices more passengers wearing angler's vests. He understands the appeal. ("Almost all the vests have huge back pockets; it's amazing what you can put in there.") But he doubts these vest-wearing travelers are actual anglers.

"No self-respecting fly-fisherman or woman wants to get caught by their friends wearing a fly-fishing vest in a public space where there's no fish to be caught," he says. "You would look like a giant dork."

"What are you going to do with a box of flies and your emergency compass O'Hare?" he adds. "Nothing." Airline seat-selection and

baggage fees, known in the industry as "ancillary revenue." have long been the norm among low-cost carriers, and now many other airlines have rolled them out. President Biden has proposed action on what he calls "junk fees," surcharges tacked onto concert tickets, hotel bookings and other purchases. Restaurants have added new fees to counter inflation.

Barnett, the assistant to a film director, estimates his multi-pocketed workaround on airline flights has saved him hundreds in fees. "I always like shortcuts that are ethical shortcuts," he says.

Industry analysts say airline fees can, besides producing revenue, help speed up boarding since fewer passengers bring roller suitcases when they have to pay for them.



Fishing vests can have lots of pockets, including in the back. Wear your luggage?

On YouTube and TikTok, vacationers are filming themselves packing their things into travel pillows or vest pockets for flights. While there are actual travel vests available, most are opting for lower-cost fishing vests.

Before a flight from Los Angeles to Dallas, attorney Julie Waters went to Dick's Sporting Goods and bought a fly-fishing vest—despite having never fished before. To get ready for her trip, she put snacks and other mini items into the "weird small pockets" on the vest, and then stuck her swimsuit, pants, and other belongings into the larger pockets, including one on the back.

At first she found wearing her luggage too bulky. "The clothes on your lower back made it kind of hard to sit,' she says. "You couldn't lean all the way back—there is this puffy thing.'

She took a few things out, but still squeezed several days of clothes into the vest. Waters videotaped herself

breezing through the airport and onto a Spirit Airlines flight and then posted the successful experiment to TikTok.

"No one batted an eye, but a friend did make a comment that someone could have thought you were some kind of crazy Unabomber-type person so that would be the biggest downside," she says. "What I really want to try is the pillowcase one, where instead of a pillow it's full of clothes."

A Spirit spokeswoman declined to comment. Airlines are familiar with some hacks. Ryanair last summer retweeted a photo of a model wearing a full-length jacket with a zillion pockets and wrote, "Don't even think about

Alain Saffel recently relocated to Bangkok from Alberta,

Canada, with his wife, and bought similar vests due to the 15-pound weight limit on hand luggage imposed by most budget airlines in the region.

"It's almost impossible to pack within that limit," says Saffel, who adds, "we are really paranoid because that's how [the airlines] nail you" with extra baggage fees.

The vest fits his tablet, phone, headphones, passport, wallet, snacks, earplugs, camera equipment and even a water bottle. Cargo pants provide further pocket space. He also appreciates that with a vest on, he doesn't have to fumble under his seat to get things from his backpack.

"For me, having to bend over in economy seats and reach into my backpack-vou have to be a bit of a contortionist to do that," he says. -Alison Sider

contributed to this article.

#### CORRECTIONS ಲೆ AMPLIFICATIONS

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#### U.S. NEWS

from ielts2.com

#### **Youths Sue States** To Compel Action On Climate Change

By Mariah Timms

A first-of-its-kind climate trial is set to kick off Monday in Montana, where a judge will determine whether the state's constitution obligates public officials to do more to address global warming.

The case, brought by more than a dozen Montana residents who were between 2 and 18 years old when it was filed in March 2020, is among a wave of similar suits brought by youth across the country who argue that future generations will bear the consequences of a warming planet. The plaintiffs argue that

Montana's constitution, which has since 1972 explicitly guaranteed the right to "a clean and healthful environment," requires effective action protecting water, wildlife, public lands and the atmosphere.

The state's reliance on fossil fuels and their production, the youth argue, is at odds with that guarantee. They are asking the court to declare it unconstitutional, which could require state officials to consider climate impacts in future policy decisions, such as fuel and mining permit approvals, or efficiency and emissions standards.

The case is the first to get a full airing after previous attempts at the state and federal level over the past decade were tossed, usually on procedural grounds. A bench trial in Helena is expected to last two weeks and would likely include significant scientific argument over the impact of fossil-fuel production and use on the environment.

"Depending on how this trial goes, maybe Montana will push the bounds of climate leadership. It could show what it means to take responsibility for future generations seriously as Montana's constitution requires it to do," said Cara Horowitz, director of the environmental-law program at the University of California, Los Angeles law school.

#### Montana's defense

The state has opposed the suit on procedural grounds, arguing in court documents that the constitutional challenge is overly broad. Montana Attorney General Austin Knudsen's office didn't return a request for com-

"There are no relevant facts ing Montana laws or policies for the District Court to interpret, apply, or attempt to fashion some form of relief," attorneys for the state wrote in an unsuccessful attempt earlier this month to pull the case up to the state's supreme court.

Global greenhouse-gas emissions hit records in 2022 and are projected to continue their upward trajectory, according to a March report from the United Nations Intergovernmental Panel on Climate Change

#### Plaintiffs' evidence The plaintiffs—children of

farmers, outdoor enthusiasts and athletes, as well as young members of Native American communities-detailed the effect of rapidly shifting climates on their daily lives. They cited everything from wildfire smoke keeping them indoors or away from sports training, to unpredictable weather damaging crops and killing livestock, as evidence that the Treasure State's constitutional protections weren't being met.

They are represented by Our Children's Trust, a nonprofit public interest law firm that has led many of the climate cases for more than a decade.

"The constitutional law that we're using is 50 years old, and some of the provisions in the Montana Constitution are as old as the founding of the state," said Julia Olson, the group's chief legal counsel.

Montana's Republican-majority legislature has supported fossil-fuel infrastructure in the resource-heavy region and passed a law this session that explicitly prohibits the analysis of greenhouse gases and climate effects in environmental-impact reviews by state agencies.

Judge Kathy Seeley has previously stated she wouldn't issue a ruling that narrowly laid out what next energy steps the state should take, if she rules for the plaintiffs. Instead, a win for the youth would comprise an order finding the state of Montana had violated its own constitution.

Similar cases are moving forward in other parts of the U.S. Proceedings in a long-dormant federal case filed in Oregon are heating up after a judge this month allowed the plaintiffs to file an amended lawsuit. That case is also expected to go to trial. In Hawaii, plaintiffs seeking similar relief under that state's constitution are preparing for a fall trial.

The Montana case will be a harbinger of what's to come, according to Rebecca Bratspies, director of the CUNY School of Law's Center for Urban and Environmental Reform. Even a loss for Montana's plaintiffs could set important precedent and hold lessons for future climate-litigation strategies and the breadth of climate-science evidence allowed by the court, she said.



Some of the Montana plaintiffs suing the state, in a status hearing last month in Helena. The trial is set to start Monday.



David 'Lee' Wells, with roommate Stephanie McFadyen, lost five fingers to wounds from use of fentanyl laced with xylazine.

#### 'Tranq' Complicates Recovery For Drug Users Seeking Help

By Julie Wernau

PHILADELPHIA—David "Lee" Wells marveled at how it felt to hold an iced coffee in his hand again after losing his fingers to "tranq" wounds that rotted away his flesh.

He flashed a cheeky grin and took a selfie with his new titanium fingers wrapped around the cup. "This is the aftermarket me," he said.
This is what recovery looks

like for drug users disfigured by xylazine, or "tranq," an animal tranquilizer mixed into America's increasingly toxic illicit drug supply.

Fentanyl, potent and ubiquitous, has pushed overdose deaths to records beyond 100,000 a year. Xylazine adds the risk of rotted flesh and open wounds for users.

People who had taken xylazine began arriving at emergency rooms around Philadelphia nearly 20 years ago with pernicious wounds requiring surgery, amputation and weeks of hospitalization. Today, patients injured by xylazine show up at hospitals around the city every day.

Tissue beneath the lesions caused by xylazine can die within hours. The damage sometimes leads to amputation. Cases of such wounds have quadrupled in the past two years, city health officials said.

The repeat exposure is pushing doctors and aid groups to invent new care techniques for xylazine users who often need addiction treatment to carry them through long hospital stays that accompany amputation and reconstructive surgeries.

"We are the epicenter," said Shannon Ashe, co-founder of the Everywhere Project, a nonprofit.

A conundrum of caring for xylazine users is how to treat their wounds while managing their withdrawal from powerful opioids. Caring for users in withdrawal from fentanyl and xylazine requires administering more-powerful drugs than those for users of pain pills or heroin. Without that care, withdrawal is so miserable that many patients leave before their wounds heal.





Nearly two years after he stopped using xylazine, Wells was fitted with a prosthetic. Last month he received ratcheting fingers. Top, the medical team rolling Wells to surgery.

"A car accident is a single time," said Dr. Matthew Wilson, a surgeon at Philadelphia Hand to Shoulder Center. "With xylazine, the trauma continues."

Wells, 31 years old, didn't go looking for xylazine. One day, it showed up in his bag of dope. Soon he needed it. The tranquilizer would knock him out for hours, until he woke up sick from withdrawal. When the wounds emerged, the pain overwhelmed him, and he wanted to sleep as much as possible.

After his admission to Jefferson Methodist Hospital, he left against medical advice at least half a dozen times in 2021, unable to tolerate withdrawal long enough to have his wounds cared for. Without opioids, the pain in his hands was excruciating. He considered suicide.

Standard doses of prescripevent at a single point in tion opioids or anti-addiction medications used in hospitals to manage withdrawal are often ineffective for users of today's powerful street drugs, said Dr. Ashish Thakrar, an addiction specialist at the University of Pennsylvania. The Centers for Disease Control and Prevention last year released new opioid-prescribing guidelines and acknowledged that inflexible rules had pushed patients toward the illicit market.

When Wells checked into Jefferson Methodist Hospital in 2021, the skin was gone from the tops of his hands.

Wilson drew a line along the knuckles on Wells's left hand. "You're going to lose these fingers," the surgeon

Wells's parents helped him discreetly use illicit drugs in the hospital to keep him from

leaving to find a fix. Three surgeries and a month later, Wells was caught with illicit drugs. The hospital told him that he couldn't have visitors and that he would die if he left. He exited within two hours.

His mother brought him home to College Station, Texas, where he couldn't get the mix of drugs sold in Phila-

A year later, Wells returned to Philadelphia to have a finger on his right hand removed, be fitted for a prosthetic and get dentures. His surgeons said they had never seen a patient come back in stable recovery from tranq. He began taking Suboxone, an anti-addiction medication, and started treatment for depression. He had his first therapy appointment last month.

The surgeons had wrapped skin from his left palm to secure the top of the hand after removing four fingers and dead tissue.

In May, at Hanger Clinic, a prosthetics provider, Wells zipped on his ratcheting fingers for the first time and beamed. "This is awesome," he said, moving the titanium digits into place to grab a can of Coke.

A week later, he was being prepped for his sixth surgery at Jefferson Methodist Hospital. His care, paid by Medicaid, has cost hundreds of thousands of dollars, according to his insurance claims.

Dr. Adam Strohl, a plastic surgeon, wrote his initials in purple marker on Wells's right hand, where he planned to release a tendon so Wells could make a tight fist. The plan was for general anesthesia. But after Wells was rolled into surgery, even more needed to be administered because it took so long for the doctors to find a usable vein.

For Wells, recovery means using a robot-arm emoji to salute the futuristic prosthetic that has given him renewed confidence in public. Recovery also includes dentures, which he used for chewing his first steak from Texas Roadhouse

"I wanted help. I wanted to get out," he said.



#### **Section of Highway I-95 Collapses in Philadelphia Following Tanker Fire**

An elevated section of Interstate 95 collapsed Sunday morning in Philadelphia after a tanker carrying flammable cargo caught fire on the exit ramp beneath it, Pennsylvania officials said.

Drivers were routed off the interstate, the main northsouth highway that runs along the East Coast.

Officials said the tanker truck was carrying a petroleum-based product. The truck had exited the northbound I-95 on the Cottman Avenue ramp, which curves underneath the overpass and eventually points drivers toward Route 73. The truck might have had difficulty navigating the off-ramp, according to the Pennsylvania Department of Transportation. The tanker remained

trapped Sunday evening under the rubble of tons of steel and concrete, Gov. Josh Shapiro said. "We're still working to identify any individual or individuals who may have been caught in the fire and the collapse," he said. The fire broke out around

6:20 a.m., officials said, and it took first responders about an hour to get it under control.

The northbound side of the elevated I-95 buckled and collapsed and the southbound side is no longer structurally sound for traffic, officials said. Locals were warned to brace for a difficult commute Monday and the foreseeable future.

-Ginger Adams Otis

#### U.S. NEWS

#### Miami Braces For Trump's Arraignment

City girds for unrest as ex-president faces hearing Tuesday amid run for White House

By SADIE GURMAN

WASHINGTON-Donald Trump is preparing to surrender to authorities Tuesday and be arraigned at a federal courthouse in Miami as the Justice Department's unprecedented criminal case against the former president moves to its next phase.

Law-enforcement officials are bracing for the possibility of unrest as demonstrators both supporting and opposing the former president made plans to rally around the courthouse.

Tuesday's proceedings are the latest in a prolonged series of legal engagements for Trump that could extend to, and beyond, the 2024 presidential election in which he is seeking to be the Republican nominee to face the presumptive Democratic candidate, President Biden.

Federal prosecutors on Friday unsealed a sweeping 49page indictment on 37 counts related to Trump's postpresidential handling of classified materials at his Mar-a-Lago residence, taking the country into uncharted waters as it is the first prosecution of a former president in U.S. history. Trump, 76, has denied any

wrongdoing and has used the indictment to seek campaign contributions. On social media he told supporters, "SEE YOU IN MIAMI ON TUESDAY." Jack Smith, the special counsel whose investigation led to the charges, on Friday addressed the indictment by saying the law applies equally to everyone.

Smith's investigation continues, with another strand focused on efforts by Trump and his allies to remain in power after his 2020 election loss, including the events leading up to the Jan. 6, 2021, attack on the U.S. Capitol.

Trump also faces criminal charges in New York, brought earlier this year, stemming from the Manhattan district attorney's investigation into his role in a hush-money payment that was made during the final stretch of the 2016 election to a porn star who alleged she had an affair with him.

A local prosecutor in Fulton County, Ga., meanwhile, said she would announce charging decisions this summer related to efforts by Trump and his allies to overturn the results of the 2020 election there. Trump has denied wrongdoing in the New York and Georgia matters, too, and has accused prosecutors of pursuing him

for political reasons. 'We now have two standards of justice in our coun-



Former President Donald Trump appearing at the Georgia state GOP convention in Columbus, Ga., on Saturday.

try. The Democrat Communists want to jail their opponents while they protect the murderers who prowl our cities day and night, and other brazen criminals," Trump said in Columbus, Ga., on Saturday.

An ABC News/Ipsos poll released Sunday said 48% of respondents said Trump should have been charged, while 35% said he shouldn't and 17% said they didn't know.

Criminal cases can take years to resolve, raising the prospect that Trump will be both campaigning and mounting a legal defense through the campaign and ensuring that his prosecutions stay front and center in the run-up to the election in November 2024.

Alina Habba, a member of Trump's legal team, said on Fox News Sunday that she "could never imagine" the former president taking a plea deal to resolve the charges. "You plead when you've done something wrong or when you have no shot. We have strong defenses," said Habba, who isn't handling the classifieddocuments case.

Trump also has indicated he will continue his presidential run even if convicted.

How Trump will enter the Miami courthouse on Tuesday—whether through the main lobby or a more discreet entrance—is unclear. He is expected to head to a courtroom on the 13th floor at 3 p.m. Eastern time to appear before a judge, according to a person familiar with the matter.

Security is certain to be

tight, and will be overseen by the U.S. Marshals Service and U.S. Secret Service. The area around the Wilkie D. Ferguson Jr. federal courthouse can be congested.

A spokeswoman for the Miami-Dade County mayor said the county police department was prepared to provide assistance but hadn't received any federal requests for security support as of Friday afternoon.

The Federal Bureau of Investigation urged agents to be on alert even beyond Miami. After agents in August searched Mar-a-Lago, Trump's Florida residence, officials registered a spike in threats. including an armed attacker at the bureau's Cincinnati field office and a western Pennsylvania man charged with

threatening to kill agents.

The New York Police Department stepped up its uniformed presence across the city when Trump appeared at a courthouse in lower Manhattan in April. But while some Trump supporters showed up in New York, fears of widespread unrest were unrealized.

Trump faces a total of 37 counts on seven different charges, including willful retention of national-defense information, withholding a record, false statements and conspiracy to obstruct justice.

Trump has scheduled comments for Tuesday evening from his golf club in Bedminster. N.J.

–Arian Campo-Flores and Deborah Acosta contributed to this article.

#### Prosecutors, Defense Plot Strategies

Continued from Page One prosecutors and legal experts saw the 49-page document as making a compelling case against Trump, with text messages, phone records and photographs showing boxes stored in various parts of Mar-a-Lago, including a bathroom at the former president's South Florida residence.

William Barr, who served as attorney general in the second half of the Trump administration, called the indictment "very, very damning" Sunday on Fox News. "He was totally wrong that he had the right to have those documents," Barr said. "Those documents are among the most sensitive secrets the country has."

Commenting on the prosecution's case. Ed O'Callaghan, a former top Justice Department official in the Trump administration, said: "The first thing that struck me was confidence. They're sending a message with the amount of details that

they put in the indictment." Trump has declared his innocence. "This vicious persecution is a travesty of justice," he said in a speech on Saturday.

Charged with violating the Espionage Act, conspiring to



Special Counsel Jack Smith, center, after speaking to the media on Friday in Washington.

obstruct justice and causing a false statement to the government, the ex-president last week shook up his legal team, saying former federal prosecutor Todd Blanche would lead his defense and parting ways with two lawyers who represented him through the special

counsel investigation. The Justice Department has successfully prosecuted many cases over the alleged mishandling of national-defense information. But former prosecutors and legal experts said his defense team is likely to underscore the unprecedented set of surrounding Trump's

case. As president, Trump had vast powers over secret government records, a past authority he could point to as part of an effort to diminish the significance of the allegations against him.

"One of the big challenges Jack Smith faces is persuading every one of those 12 jurors that it could be a criminal offense for Trump to share documents that, a couple of years before, when he was president, he would have been free to share," said Rob Kelner, a defense lawver with expertise in national-security cases.

The indictment highlighted

two instances in which Trump allegedly shared information he knew was classified with people who lacked authorization to receive it. In July 2021, at his golf club in New Jersey, he told a writer, a publisher and two staff members about a secret attack plan on a country that isn't named, but is identifiable as Iran. Weeks later, the indictment said, he showed a classified map to a representative of his political-action committee.

Kelner said Trump's defense team could seek to underscore that, while sharing national-defense information was improper, the former president

didn't provide it to a foreign national, "much less with hostile actors."

The defense team could also otherwise seek to diminish the import of the alleged crime. In an April letter to congressional Republicans, four of Trump's then lawyers wrote that the presence of documents marked classified at Mar-a-Lago "was the result of haphazard records keeping and packing."

The letter also criticized the Justice Department's successful effort to have a judge pierce attorney-client privilege and compel grand jury testimony from Trump lawyer Evan Corcoran. Corcoran figures prominently in the case that Trump conspired to obstruct justice and caused a false statement to be made to federal authorities. The indictment alleges that Trump and Nauta, his valet, intentionally deceived the lawyer by removing document boxes from the Mar-a-Lago storage area before he conducted a search for subpoenaed records. As a result, the indictment states, a false certification was submitted to the government.

Corcoran's compelled testimony, former lawyer Tim Parlatore and three others wrote, "was clearly a sub-optimal and constitutionally dubious substitute" for a more complete search of the property under consent. Trump's lawyers could seek ahead of trial to challenge evidence from Corcoran, former prosecutors said.

The trial's venue also figures in the strategy of both the prosecution and the defense. After months of investigating with a grand jury in Washington, Smith ultimately used a grand jury seated in South Florida to obtain the indictment against Trump and Nauta. That puts Trump's trial in a Republican-led state where the pool of potential jurors might prove more sympathetic to arguments that play down

the criminal charges. Trump's case has been assigned to Judge Aileen Cannon, a Trump appointee. Cannon previously presided over a lawsuit the former president brought last year objecting to the Federal Bureau of Investigation's August search of Mar-a-Lago. Cannon granted Trump's request to appoint an outside arbiter to review documents seized from the former president's residence and private resort in Florida. An appeals court panel later overturned her decision and disbanded the review process.

Smith said on Friday that his team would seek a "speedy trial." Legal experts said Smith's team would likely seek to schedule Trump's federal trial to precede a separate trial set for March 2024 in a criminal case the Manhattan district attorney brought against the

former president. Trump's team could seek to push his trial to as late in 2024 as possible-even after the presidential election. If elected next year. Trump could try to pardon himself, although such an attempt has never been considered by the courts.

#### Illumina CEO Exits; Icahn Wins

Continued from Page One tive since 2016. His exit, after other recent changes to Illumina's board, is likely to hasten a resolution of the company's battle with U.S. and European antitrust regulators over the purchase of Grail.

It also could prompt other executives to second-guess plans to make acquisitions, even when the companies, like Illumina and Grail, don't compete with each other because government officials are stepping up their scrutiny of corporate combinations.

After U.S. and European anchaltitrust regulators lenged Illumina's acquisition of Grail, Icahn launched a proxy fight. Icahn has signaled he wants to bring back Illumina's

former chief executive, Jay

Flatley. But Flatley isn't expected to be the next CEO, according to a person familiar with the matter. 'We have made great prog-

ress together, but I believe we are still at the very beginning of the impact Illumina will have on human health by unlocking the power of the genome," deSouza said. His undoing was Illumina's

effort to buy the remaining stake of Grail it didn't already own. Grail sells tests that analyze people's blood for signs of cancer, a powerful new technology that promises to transform early diagnosis of the disease and become a multibillion-dollar market worldwide.

After antitrust regulators resisted, deSouza still went ahead. Illumina's stock plunged, and Icahn entered the fray, criticizing the Grail deal.

Stephen MacMillan, an Icahn ally who Illumina's board recently named as nonexecutive chairman, wanted deSouza to leave, according to people famil-

iar with the matter. Another person familiar with the matter said deSouza had been considering a resignation for some time, but wanted to see through the proxy battle with Icahn first.

The departure of deSouza follows weeks of other changes in Illumina's governance. In Illumina shareholders voted to elect one of Icahn's three nominees to the company's board of directors, and didn't re-elect John Thompson, who had been serving as Illumina's chairman.

During the shareholder meeting, deSouza was re-elected to Illumina's board but with a lower vote total than most of the other directors. This month, Illumina's board named two new directors, including Mac-Millan, CEO of medical-device maker Hologic, as nonexecutive chair of the board. "We are confident Illumina can continue to execute on its goals while we conduct and complete a CEO

search process," MacMillan said. Icahn wrote in a tweet that he was "happy to see all of the recent events occurring at Illumina" and that deSouza's de-

parture was "a very positive oc-

currence."

He said he had helped bring MacMillan to Hologic, "where, as history shows, he greatly enhanced value for all stakeholders. I am happy to see him as Chairman at Illumina."

In a letter to Illumina employees, deSouza said he told the company's board last week that he would leave, calling the decision "an extremely difficult

one since the people and mission at Illumina inspire me every and my day friendships here are dear to me."

He informed the board of his decision Thursday, and then

negotiated with the board the timing of his departure, according to people familiar with the matter. The next permanent CEO is

likely to be from outside the company, according to one of the people familiar with the matter. San Diego-based Illumina is

leader in DNA sequencing

technology that is used by aca-

The pursuit of a purchase of Grail led to deSouza's

departure.

demic researchers, drugmakers and consumer genomics companies such as 23andMe.

In 2020, Illumina, which had previously owned Grail but spun out most of it in 2017, agreed to acquire the stake in Grail that it didn't already own for more than \$7 billion.

Since the closing of the Grail

deal in 2021, however, Illushares mina have plunged by more than 60%. Investors and analysts have grown cerned that Illumina can't win the battle and that

antitrust continued ownership of Grail is hurting profits. The U.S. Federal Trade Commis-

sion and the European Union have rejected the deal saying it would hurt competition. Illumina has appealed the antitrust losses, arguing that it will ensure Grail competitors

have sufficient access to Illu-

mina products and that Illu-

mina's ownership of Grail will

improve global access to Grail's tests and save lives.

prepare for divestment in the event its appeals are unsuccessful.

Illumina also has begun to

"With the loudest proponent of Grail not at the table anymore, the potential for a Grail divestiture rises meaningfully, in our view," SVB Securities analysts wrote in a research note. They said such a deal could follow a divestment order from European antitrust regulators, which is expected in the coming weeks.

Icahn, steeped in proxy battles against numerous companies over the years, criticized Illumina's pursuit of Grail, and argued that his nominees were needed on Illumina's board to pursue more shareholderfriendly measures.

In addition to nominating three directors, Icahn also urged Illumina shareholders to withhold votes from deSouza, Thompson and Robert Epstein. who is chairman of the governance committee of the board.

-Cara Lombardo

contributed to this article.

#### U.D. TILIVID

#### Tense Issues Await Southern Baptists at Convention

By Adolfo Flores

Church officials' response to sexual abuse and the question of whether women can be pastors will take center stage at the Southern Baptist Convention's annual meeting in New Orleans this week.

Messengers, as representatives from thousands of Southern Baptist churches are called, will vote on whether to sustain the convention's executive-committee decision to expel some churches from the denomination because they had women serving as pastors. This year's election for president is being seen as a referendum on the denomination's efforts over

the past year to hold abusers accountable and protect members of the church.

In February, the Southern Baptist Convention removed, or "disfellowshipped," churches, including Saddleback Church, the California megachurch founded by the evangelical pastor Rick Warren. It deemed them "not in friendly cooperation" with the denomination, which officially opposes women as pastors. After Warren retired last year, Saddleback Church selected Andy Wood as its lead pastor, and his wife, Stacie Wood, became a teaching pastor.

The Southern Baptist Convention credentials committee

said it received appeals from Fern Creek Baptist Church in Louisville, Ky., as well as Saddleback in Lake Forest, Calif. Another church, Freedom Church in Vero Beach, Fla., was removed by the SBC over its treatment of an allegation of sexual abuse and said it was planning to appeal at the annual meeting.

The SBC, with roughly 13.2 million members, has according to Lifeway Research been losing members in recent years.

The convention cited its 2000 adopted statement of faith in its notices to churches being disfellowshipped, which said, "While both men and women are gifted for service in

the church, the office of pastor is limited to men as qualified by Scripture."

Stacie Wood declined to comment on the Saddleback appeal.

Fern Creek Baptist Pastor Linda Popham said her church adheres to the 1963 Baptist Faith and Message, a summary of the faith, which she said doesn't limit who preaches.

"The way I read it, the way our church reads it, yes, we believe that the Scripture allows for" women to be pastors, Popham said.

Popham, who for more than 30 years has been pastor of Fern Creek, said she wonders why it is only now that the

convention is seeking to expel her church, which has about 150 to 175 people attending weekly.

"Some of this I personally believe has been to redirect the attention away from the sexual abuse that has gone on," Popham said.

Messengers will vote on whether to approve the continuation of the Southern Baptist Convention's Abuse Reform Implementation Task Force, which has to be renewed each year. The task force is expected to present a database it has been developing over the past year of pastors, denominational workers, ministry employees and volunteers who have been

el credibly accused of sexual abuse.

To be included in the database, people would have to have been convicted of sexual abuse, had a civil judgment entered against them for abuse or have confessed to the crime. Someone can also be included in the database if an independent investigator commissioned by a church finds the accusations credible.

This year's presidential election is contested. Bart Barber, the sitting president, is being challenged for a second term by an opponent who has questioned aspects of the database. Barber didn't respond to a request for comment.

#### U.S. WATCH

NORTH CAROLINA

#### Unabomber Dies in Custody

Theodore Kaczynski, the infamous recluse known as the Unabomber whose homemade explosives killed three people and injured more than 20, died Saturday in federal custody, a prison official said.

Kaczynski, 81 years old, was being held at Federal Medical Center Butner, the North Carolina federal prison where he was serving a life sentence.

He was found unresponsive in his cell early Saturday, Federal Bureau of Prisons spokesman Carl Bailey said.

A law-enforcement official with knowledge of the case said Kaczynski died by suicide.

Kaczynski, once a gifted mathematician who attended Harvard as a young man, became one of America's most wanted domestic terrorists. He lived in a cabin in the woods of Montana, where he developed his own extreme views about the perceived ills of the industrialized world.

From 1978 until 1995, he targeted academics, scientists, lobbyists and people in the tech industry who, in his mind, were helping the industrial-scientific complex deprive individual citizens of their freedom. His bomb attacks killed three people and injured 23 more.

—Ginger Adams Otis

#### 'Akimbo' Wins Best Musical

THE TONYS

The intimate, funny-sad musical "Kimberly Akimbo" nudged aside splashier rivals on Sunday to win the musical crown at Broadway's Tony Awards, and Tom Stoppard's "Leopoldstadt," which explores Jewish identity with an intergenerational story, won best play.

The awards show also made history with laurels for nonbinary actors J. Harrison Ghee and Alex Newell, the first nonbinary people to win Tonys for acting.

"Kimberly Akimbo," with songs by Jeanine Tesori and a book by David Lindsay-Abaire, follows a teen with a rare genetic disorder that gives her a life expectancy of 16 navigating a dysfunctional family and a stuttering high-school romance. Victoria Clark, as the lead, won a second Tony after having previously won in 2005 for "The Light in the Piazza."

The win for "Leopoldstadt" gives Stoppard five best play Tony Awards in his career. His first came in 1968.

-Associated Press
CONNECTICUT

#### Settlement for Paralyzed Man

New Haven has agreed to a \$45 million settlement with Randy Cox, who was paralyzed while being transported handcuffed and without a seat belt in the back of a police van following his arrest last year, the city's mayor and attorneys said Saturday.

Cox, 36, was left paralyzed from the chest down June 19, 2022, when the police van he was riding in braked hard, sending him headfirst into a metal partition. Cox had been arrested on charges of threatening a woman with a gun, which were later dismissed.

missed.
Five officers face charges.
All have pleaded not guilty.

—Associated Press



#### WORLD NEWS

from ielts2.com

#### Digital Heists Fund North Korea Missiles

Cybercriminals have netted more than \$3 billion in crypto for nuclear program

By Robert McMillan And Dustin Volz

Last year an engineer working for the blockchain gaming company Sky Mavis thought he was on the cusp of a new job that would pay more money.

A recruiter had reached out to him via LinkedIn, and after the two spoke over the phone, the recruiter gave the engineer a document to review as part of the interview process.

But the recruiter was part of a vast North Korean operation aimed at bringing in funds to the cash-poor dictatorship. And the document was a Trojan horse, malicious computer code that gave the North Koreans access to the engineer's computer and allowed hackers to break into Sky Mavis. Ultimately they stole more than \$600 million—mostly from players of Sky Mavis's digital pets game, Axie Infinity.

It was the country's biggest haul in five years of digital heists that have netted more than \$3 billion for the North Koreans, according to blockchain analytics firm Chainalysis. That money is being used to fund about 50% of North Korea's ballistic missile program, U.S. officials say, which has been developed in tandem with its nuclear weapons. Defense accounts for an enormous portion of North Korea's overall spending; the State Department estimated in 2019 Pyongyang spent about \$4 billion on defense, accounting for 26% of its

overall economy.

Although Sky Mavis has now repaid victims of the cyberattack, the incident threatened the very existence of the then-four-year-old company, said Aleksander Larsen, the firm's chief operating officer.



Seoul residents watched a North Korean missile launch this spring. The country's launches have increased.

"When you look at the amount of funds stolen, [it] would look like an existential threat to what you are building."

The incident also caught the attention of the White House, where it and other North Korean crypto attacks throughout 2022 have raised grave concerns. "The real surge in the last year has been against central crypto infrastructure around the world that hold large sums, like Sky Mavis, leading to more largescale heists," said Anne Neuberger, President Biden's deputy national security adviser for cyber and emerging technology. "That has driven us to intensely focus on countering this activity.'

North Korea's digital thieves began hitting their first big crypto attacks around 2018. Since then, North Korea's missile launch attempts and successes have mushroomed, with more than 42 successes observed in 2022, according to data tracked by the James Martin Center for Nonproliferation Studies.

U.S. officials cautioned that so much is unknown about the nation's sources of funds amid Western sanctions that it isn't possible to have a precise understanding of the role crypto theft is playing in the increased rate of missile tests. But the test buildup by Kim Jong Un's reclusive regime has occurred at the same time as a concerning upswing in crypto heists.

Roughly 50% of North Korea's foreign currency funding for purchasing foreign components for its ballistic missile program is now supplied by the regime's cyber operations, Neuberger said. That is a sharp increase from earlier estimates, which had put the figure at a third of overall

funding for the programs.

U.S. officials say North Korea has built what is essentially a shadow workforce of thousands of IT workers operating out of countries around the world, including Russia and China, who make money—sometimes more than \$300,000 a year—doing mundane technology work. But this workforce is often linked up with the regime's cybercrime operations, investigators say.

They have pretended to be Canadian IT workers, government officials and freelance Japanese blockchain developers. They will conduct video interviews to get a job, or, as with the Sky Mavis example, masquerade as potential employers.

To get hired by crypto companies, they will hire Western "front people"—essentially actors who sit through job interviews to obscure the fact that

North Koreans are the ones actually being hired. Once hired, they will sometimes make small changes to products that allow them to be hacked, former victims and investigators say.

Starting two years ago,

hackers linked to North Korea began infecting U.S. hospitals with ransomware—a kind of cyberattack where hackers lock up a victim company's files and demand payment for their release—to raise money, U.S. officials say. "It seems like a modern-day

pirate state," said Nick Carlsen, a former FBI analyst who works for blockchain tracing firm TRM Labs. "They're just out there raiding." Carlsen and others in the

cryptocurrency industry say that weeding out these fake IT workers is a constant problem.

International experts have long said that North Korea has

been developing a digital bank-robbing army to evade harsh sanctions and support its ambitions to project geopolitical power through nuclear weapons and ballistic missiles. A 2020 United Nations report found that the regime's revenue-generating hacking has proven to be "low-risk, high-reward and difficult to detect, and their increasing sophistication can frustrate attribution."

For years the U.S. and other Western governments blamed North Korea for a string of brazen-and sometimes haphazardly executed-cyberattacks, ranging from the 2014 hack of Sony Pictures to a massive global ransomware attack in 2017. But the country has increasingly sought to focus its cyberattacks on generating cash, while dramatically improving its technical sophistication to pull off largescale thefts, according to U.S. officials and security experts.

"Most nation-state cyber programs are focused on espionage or attack capabilities for traditional geopolitical purposes," the White House's Neuberger said. "The North Koreans are focused on theft, on hard currency to get around the rigor of international sanctions."

In 2016, hackers linked to North Korea stole \$81 million from the central bank of Bangladesh, part of an attempted \$1 billion cyberheist that was disrupted by the Federal Reserve Bank of New York.

The North Koreans also have stolen money from ATMs and even made more than \$100,000 in cryptocurrency from a quickly spreading worm called WannaCry, but nothing has been as lucrative as their string of crypto heists, which began in earnest in 2018, according to Erin Plante, the vice president of investigations with Chainalysis. "They were really early into crypto, and they were some of the most advanced users of crypto early on."



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#### Tech's Biggest Headlines. Discussed. Debated. Made.

The Wall Street Journal's premier technology event returns this fall, bringing together decision makers from some of the world's biggest brands in tech, media, entertainment and finance. Last year, they included:

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Loan Depot

Activate, Inc. Amazon **Ancestry Apple** Aura **AVOA** BairesDev **BDO USA Boston Consulting** Group BrightView Capital One CentralNic Group Chick-fil-A, Inc. Chipotle Mexican Grill Cisco Systems, Inc. Comcast Ventures Consumer Reports **DCVC** Dell Technologies

Edelman Experian FactSet Research Systems **Fanatics** GK Digital Ventures Google Goulston & Storrs Hello Genius Houzz Huawei Hyundai Motor America Kaiser Permanente Khosla Ventures Kleiner Perkins Laserfiche Latch Latent AI LexisNexis

Lyft M&T Bank Menlo Ventures Microsoft Mixpanel Mojo Vision Nexstar Digital Nippon Yusen Kaisha Nutanix **Optiv Security** PGA Pinecone.io Polaris Inc. Readerlink LLC Reboot.io Recorded Future Redpoint Ventures Rigetti Computing

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THE WALL STREET JOURNAL

#### Scotland's Ex-Leader Arrested White House Says In a Probe of Party's Finances

By Max Colchester

Police arrested Scotland's former leader Nicola Sturgeon on Sunday as part of a probe into her party's finances, the latest twist in a scandal that has undermined the Scottish independence movement of which she is a key proponent.

The arrest follows allegathat more than £600,000, or about \$750,000, of public donations raised in 2017 by the Scottish National Party to fund an independence referendum had gone missing. Scottish police declined Sunday to comment further on their investigation. Sturgeon said in a statement that she hadn't committed any offense and described her arrest as both "a shock and deeply distressing." She was later released without charges.

In February, Sturgeon made the surprise decision to step down as head of Scotland's Parliament, which enjoys decision-making power separate from the British Parliament. She resigned as first minister in the face of stiff opposition to her attempt to pass a transgender-rights bill.

Shortly after Sturgeon's resignation, police investigating the missing money briefly arrested and questioned her husband and former SNP chief executive. Peter Murrell, as well as the party's treasurer. Police seized a luxury camper van outside the home of Murrell's 92-vear-old mother.

The fall from grace of one of Britain's most successful politicians—Sturgeon for years had higher approval ratings than other British party leaderscould damage Scotland's independence movement. Critics have long questioned whether the SNP, the biggest proponent of Scottish independence, would be able to deliver what would be a hugely complex split with the rest of the U.K.

"The window has closed,"



Nicola Sturgeon said she didn't commit any offense. She was released without charges.

said James Mitchell, a publicpolicy professor at the University of Edinburgh. "They have blown it."

The SNP declined to comment on Sunday's arrest. The party has said it is cooperating with the investigation into the missing donations.

Support for independence currently stands at around 43% in Scotland, according to pollster Redfield and Wilton. Most analysts say it

looks very unlikely that Scotpressure will be sufficient to push the British government into granting a fresh independence referendum in the near future.

U.K. The

government last held such a vote in 2014. Voters in Scotland rejected the independence proposal by a margin of 55% to 45%, a much narrower result than British authorities expected. In the wake of the

loss, Sturgeon's immediate predecessor, Alex Salmond, quit as first minister.

"The anxiety of Scottish independence has evaporated," said Tom Devine, a Scottish historian who has supported the independence movement. 'There is no chance of Scottish independence for another generation at least.'

Sturgeon vowed to use the U.K. general election next year as a de facto ref-

Sturgeon's fall

from grace

could damage

independence

movement.

erendum on independence, meaning a win independence-minded political parties Scotland would be taken as a mandate to negotiate an exit from the U.K.

But some in the party worried it would scare away moderate voters.

Then Sturgeon, who led the Scottish Parliament for eight years, suddenly resigned in February, in the face of a growing backlash to her attempts to

pass a transgender-rights bill. Sturgeon said she was stepping down because she no longer had the energy for the job.

Her departure preceded a series of potentially embarrassing revelations, including that the SNP's auditors, Johnston Carmichael, quit last September without explanation.

Murrell, Sturgeon's husband and chairman of the party, then quit after misrepresenting the size of the SNP's membership base. He later said he didn't mean to mislead the party. It also emerged that he had lent the SNP more than £100,000 in June 2021. The SNP said it was a personal loan to help finance an election campaign; however, it wasn't disclosed for a year, which could represent a potential breach of election-financing rules.

The SNP's treasurer also recently said he was quitting.

"Now it is the SNP that are the ones that are a drag on independence," says Chris McEleny, the general-secretary of the rival Alba party, which is also pro-independence.

#### China Has Spied From Cuba Since '19

By Gordon Lubold AND WARREN P. STROBEL

WASHINGTON—The White House said China has had a spy base in Cuba since at least 2019 and Beijing's efforts to expand its intelligence gathering are continuing.

It added on Saturday that the Biden administration has taken steps to counter Chinese expansion of its security footprint globally.

The statement, which the White House said was based on newly declassified intelligence, follows a Wall Street Journal report on Thursday that said China and Cuba had reached an agreement in principle to build an electronic eavesdropping station on the island. Officials familiar with the matter said China planned to pay Cuba, long in dire economic straits, billions of dollars as part of the negotiations.

After publication, the White House on Thursday said the Journal's report was inaccurate, but declined to elaborate. On Saturday, it said: "This is an ongoing issue, and not a new development, and the arrangement as characterized in the reporting does not comport with our understanding."

Saturday's White House statement said that when the Biden administration came to office in January 2021, officials were briefed on China's efforts to expand its global military and intelligence presence, including projects in the Atlantic Ocean, Latin America, the Middle East, Central Asia, Africa and the Indo-Pacific.

That included "intelligencecollection facilities" in Cuba, which the statement said were upgraded in 2019. "This is welldocumented in the intelligence record," the statement said.

It said the Chinese government "will keep trying to enhance its presence in Cuba,

and we will keep working to disrupt it." The statement also cited continued challenges with Beijing's activities on the island.

It added: "We think the PRC isn't quite where they had hoped to be."

People familiar with the matter said reports on China's and Cuba's plans have appeared in classified intelligence reporting in recent weeks, and have been shared with members of Congress's intelligence committees.

Using Cuba, roughly 100 miles off the Florida coast, as a base could provide eavesdropping access to U.S. military, commercial and other communications in the Southeast region, where there are dozens of U.S. military bases, as well as the monitoring of military and commercial traffic. The U.S. military's headquarters for U.S. Central Command, which oversees the Middle East and parts of Central and South Asia, and U.S. Special Operations Command, are both in Tampa, Fla. U.S. Southern Command is based in Miami.

The new White House statement said the U.S. has taken diplomatic and other steps to "slow down" the Chinese government in Cuba and around the world, having deemed that the Trump administration had made insufficient progress in stemming the initiative.

The Biden administration persuaded a close ally, the United Arab Emirates, to halt, at least temporarily, China's construction of a military facility at a port near the capital, Abu Dhabi, the Journal reported in 2021.

Secretary of State Antony Blinken is scheduled to visit Beijing this month in an effort to stem a steep recent deterioration in U.S.-China relations.

#### WORLD WATCH



crashed in the Amazon jungle, outside the hospital treating them in Bogotá, Colombia. He said the oldest child told him that their mother was alive for about four days after the crash.

**COLOMBIA** 

#### **Crash Survivors Executions Up** Recovering

The four indigenous children who survived 40 days in the Amazon jungle after their plane crashed were recovering Sunday in a military hospital in Colombia.

The kids, aged 13, 9 and 4 years and 11 months, are expected to remain for at least two weeks in a hospital receiving treatment after their rescue Friday, but some are already speaking and wanting to do more than lying on a bed, according to family members.

Manuel Ranoque, father of the two youngest children, told reporters outside the hospital Sunday that the oldest of the four children told him their mother was alive for about four days after the plane crashed on May 1 in the Colombian jungle. Ranoque said before she died. the mother likely would have told them: "go away," apparently asking them to leave the wreckage site to survive.

The pilot and another adult on board the plane also

-Associated Press:

#### Sharply in May

A surge in executions is putting Iran on course for the highest annual number of capital punishments in nearly a decade, a rise activists and analysts say reflects Tehran's determination to stamp out political unrest and crime.

At least 142 people were executed in May, the highest monthly number since 2015, bringing the total to more than 300 in the first five months of this year, according to Oslo-based Iran Human Rights. Amnesty International put the number of executions in Iran through May at 282, nearly double the number recorded at the same time last year.

Most executions in Iran are carried out in secret, usually by hanging and often without granting the accused access to legal recourse, according to the United Nations and rights organizations.

A spokesperson for Iran's mission to the U.N. said the reported numbers were "invalid" but didn't provide alter-

-Sune Engel Rasmussen :

**AUSTRALIA** 

#### **Bus Crash Kills 10. Iniures 11**

Ten people were killed in Australia when a bus carrying a group of about 40 returning wedding guests rolled over in the heart of wine country, according to police and media reports Monday.

Police said 11 more people were injured in the accident and were taken to area hospitals by helicopter and by road. A further 18 passengers were uninjured. The driver of the bus, a

58-year-old man, was taken to an area hospital under police guard for mandatory testing and assessment, police said. The accident happened just after 11:30 p.m. Sunday in foggy conditions at a roundabout in the town of Greta. Police said they had established a crime scene at the site and had started an investigation into the cause of the crash.

Australia media reported the guests had earlier attended a wedding at the Wandin Estate Winery. Greta is in the heart of the Hunter Valley wine region.

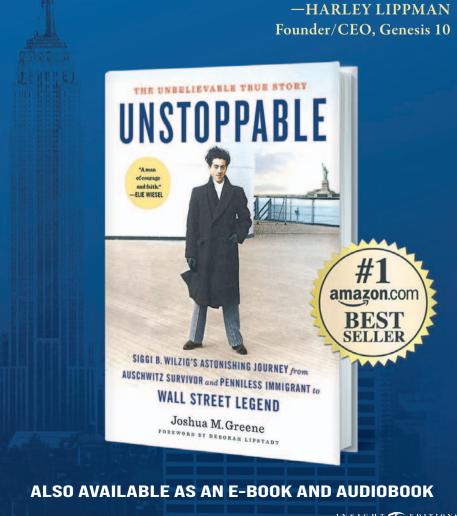
-Associated Press



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#### WORLD NEWS

from ielts2.com

#### Patriot Missile Is a Hero of Ukraine War

Air-defense system is finally doing what it was designed for, 40 years later

KYIV, Ukraine—Around 3:30 a.m. one recent morning, more than a dozen Russian missiles flashed on the radar screens of the Ukrainian air-defense crew defending this capital city.

> By James Marson, Doug Cameron and Ievgeniia Sivorka

The missiles were coursing toward Kyiv, some as fast as six times the speed of sound and many heading directly for the crew's missile battery.

The Ukrainians didn't panic, their commander said in an interview. They didn't have time.

But they did have a U.S.made Patriot surface-to-air missile system, which days earlier had, for the first time, knocked down an ultrafast Kinzhal ballistic missile. Also known as the Kh-47, the Kinzhal is one of Russia's most advanced weapons.

Early that morning, May 16, the Patriot's radar detected the missiles, including six Kinzhals, at a distance of about 125 miles. The system's computer tracked the missiles and launched interceptors, destroying all of them, the last at a distance of about 9 miles—seconds before impact.

"No one was 100% sure that the Patriot was capable of destroying a Kh-47 hypersonic missile," said Col. Serhiy Yaremenko, commander of the 96th Anti-Aircraft Missile Brigade, which defends Kyiv. "Ukrainians proved it."

Forty years after it was brought into service, the Patriot air-defense system is finally doing what it was designed for. It is destroying incoming missiles and other aerial threats in Europe and proving indispensable to the Ukrainian forces defending their ground troops, cities and

critical infrastructure.

Ukraine's political and military leadership have lauded the system as the only one capable of tackling the threat from Russian ballistic missiles, which the Kremlin had boasted couldn't be stopped. Combining the Patriot with other Western air-defense systems as well as Ukraine's Soviet-era weapons, Ukraine is now fending off most aerial threats against Kyiv, from ballistic and cruise missiles to drones.

The Ukraine conflict has proven a test bed for new weapons ranging from suicide drones to cyber jamming. But the Patriot and other veteran weapons such as antitank Javelin missiles and Stinger antiaircraft missiles have become must-haves for Ukraine. All are due to be replaced in the U.S. arsenal with new, more sophisticated versions now undergo ing development and testing, easing the way for Washington to hand them off to Ukraine.

'We are the best promoter of the Patriot," said Andriy Yermak, chief of staff to Ukrainian President Volodymyr Zelensky.

Ukraine has two full Patriot systems, which include a launcher, radar and a control station. Zelensky recently told The Wall Street Journal that he wants more to protect critical infrastructure and civilians in cities across the country, as well as front-line troops vulnerable to Russia's superior air power.

Raytheon Technologies, the Patriot's main contractor, is increasing production to 12 a year and plans to deliver five more to Ukraine by the end of next year, said Chief Executive Greg Hayes.

'We have been very surprised at its effectiveness," said Hayes of the Patriot, which he said alongside other air-defense systems has intercepted as many as 90% of incoming threats in Ukraine. He said Ukraine has tweaked the Patriot's software to enable it to track and destroy hypersonic missiles flying twice as



Ukrainian troops training to use the Patriot system in the Netherlands last month.

How the Patriot System Tracks and Intercepts Targets 2 ENGAGEMENT CONTROL • Radar detects and tracks missiles **Engagement Control** and other targets. Station (ECS) receives the · Radar sends data to remote data and sends it **Engagement Control Station** to the Patriot Launching Station **3** LAUNCHING STATION Launching Station houses **4** INTERCEPTOR remote operating module Interceptors are fired launcher, and up to 16

Note: Diagram is not to scale

either manually or

remotely from the

Jemal R. Brinson and Peter Champelli THE WALL STREET JOURNAL

fast as it was designed for. Yaremenko said officers in Ukraine's partner countries have told him, "We are learning from you right now."

Work on what became the Patriot began in earnest in the 1960s, when the Pentagon first awarded a contract to build an advanced air-defense system for the Army to use against Soviet attack. The program was almost canceled several times because of cost overruns and the technical challenge of, in essence, hitting a bullet with a bullet. It received its name—an acronym for Phased Array Tracking Radar to Intercept of Tar-

Launching Station receives

through the station's antenna.

targets' location from ECS

get—in the U.S. bicentennial year of 1976, and the U.S. military began using it in 1984 during the Cold War.

In testing and combat, the Patriot has hit more targets than it missed, though it had a patchy record against Iraqi Scud missiles when deployed in combat during the Gulf War in 1991. The Patriot has been upgraded over the past 40 years, and Raytheon said the current iteration bears little resemblance to the original.

The improvements boosted demand, especially among Gulf states including Qatar and Kuwait, and 18 countries operate the system or have them on order. New customers have to wait more than two years, Raytheon said. The U.S. deploys the system widely to protect its own forces over-

Raytheon builds the Patriot's core radar and targeting system in Andover, Mass. Lockheed Martin makes the interceptors fired by the Patriot at its plant in Camden, Ark. Aerojet Rocketdyne makes the interceptors' engines.

Raytheon and Lockheed Martin are expanding their plants, part of a broader Pentagon effort to restock U.S. munitions stockpiles depleted by the war in Ukraine and meet fresh orders from other countries. Lockheed Martin is also turning to Patriot customers and users such as Poland to produce parts, said Brenda Davidson, vice president of the PAC-3 program. "Demand continues to increase," she said.

The interceptors have been upgraded. Ukraine has both the PAC-2, which uses an explosive charge to down targets, and the PAC-3, which smashes the missile or aircraft at high speed.

Raytheon has made around 240 Patriots, and Lockheed Martin has produced more than 4,500 PAC-3 interceptors.

A Patriot battery includes three main parts, sited on truck platforms: radars and their power generators, launchers carrying up to 16 missiles, and the engagement-control station that monitors the radar and provides target data. A Patriot battery is run by as many as 90 soldiers, but the control station can be operated in the field by as few as three.

The radar can monitor 120 degrees of sky and detect incoming threats more than 100 miles away at heights up to 30,000 feet. In a virtual instant, the computer calculates the incoming threat's trajectory and aims and fires the interceptors, which can be steered in flight to the target.

Each Patriot system costs about \$1 billion and takes two years to build, while the interceptors run as high as \$4 million apiece, according to Pentagon budget documents.

The interceptors' cost and limited availability requires Ukraine's operators to make careful choices. "What are you trying to shoot down?" said a former Patriot operator now working in the defense sector.

On Friday, the Biden administration announced a new, \$2.1 billion arms package for Ukraine. At the top of the list: additional munitions for

A Ukrainian tank-crew member stood atop a German-made Leopard II in Orikhiv on Sunday, as Kyiv's offensive proceeded.

#### Offensive Has Mixed Beginning

Continued from Page One President Vladimir Putin of Russia—a scenario Ukraine fears could end hopes of ever restoring its borders.

Ukrainian forces, including brigades newly trained by Western countries and armed with sophisticated Western weapons, are attempting a feat of arms that could go a long way toward deciding the fate of the biggest conflict in Europe since World War II: to break through the formidable lines of a Russian army that knows the Ukrainians are coming.

Russia has had months to fortify its positions in eastern and southern Ukraine, while Kyiv awaited the formation and training of fresh forces and the arrival of German Leopards, U.S.-made Bradley Fighting Vehicles and other weapons from its allies.

So far, Ukrainian forces are probing the outer limits of Russia's defenses in the southeastern Zaporizhzhia and eastern Donetsk regions, looking for the most promising places to attack the more formidable fortifications a few miles beyond.

The Russians' first lines of defense are designed to hold up the Ukrainians long enough so Moscow can identify where Kyiv is planning its main thrust and deploy reserves, military analysts said.

The flooding of the Kherson region after the destruction of a dam at Nova Kakhovka last week might allow Russia to use more reserves from that area, where Ukrainian troops are unlikely to be able to cross the river Dnipro, for now.

Ukrainian forces are trying to make it hard for Russia's reserves to join the fight by targeting logistics, command points and troop concentrations with longer-range strikes.

'Ukrainian forces are attempting to do something no other European military is currently capable of: conducting sustained combined-arms operations at scale against a peer-adversary in a state-onstate, high-intensity war," said Franz-Stefan Gady, a Londonbased defense analyst.

Among Western militaries. only the U.S. is capable of the sort of complex offensive Kyiv is attempting-but Ukraine lacks the U.S.'s air power, Gady said.

Ukraine's first probes near Orikhiv, south of Zaporizhzhia city, suffered an early setback when an armored column ran into a minefield and was then hit by incoming fire. Russian military bloggers gloated over footage appearing to show the destruction of numerous vehicles. But videos posted online mostly showed hits on the same tanks from different angles, Western military analysts said.

Two Leopards and four Bradleys were destroyed, and a French armored personnel carrier and U.S.-made Oshkosh combat vehicle were abandoned, the Oryx independent team of analysts tracking both sides' losses said.

The Russians used aircraft including a helicopter and drones to strike the column and direct artillery fire. They flew with impunity as the Ukrainians had limited air-defense weapons to target them.

Around Velvka Novosilka in the Donetsk region, however, a Ukrainian push appeared to gather momentum. In a small town behind the front line, soldiers returning from combat reported a steady advance, with the taking of villages and Russian prisoners.

Ukraine's armed forces posted a video showing troops of the 68th Jaeger Brigade raising a Ukrainian flag outside a ruined building in the village of Blahodatne, south of Velvka Novosilka.

The Ukrainian probes are

ern military command.

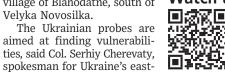
Thus far, the Ukrainians are using only limited forces, and Kyiv isn't yet showing its hand, said retired Lt. Gen. Ben Hodges, a former commander of the U.S. Army in Europe.

"Some of what we are seeing is intended, perhaps, to confuse the Russians as to where the main attack is going to be," he said. When the main thrust of the Ukrainian offensive comes, he said, it will likely include formations with several hundreds of tanks and infantry fighting vehicles.

Some of the initial assaults last week appeared to lack support for air defenses, which left tanks and other vehicles vulnerable to attacks from Russian drones and helicopter gunships.

"Ukraine doesn't control the air. That's just the reality of the situation," said Phillips O'Brien, professor of strategic studies at the University of St. Andrews in Scotland, It has heen decades since any military tried to attack established defensive positions without air supremacy, he said. "People forget how hard this is, what Ukraine is trying to do.'

#### Watch a Video



Scan this code for a video on Ukraine's counteroffensive

#### American Musician Jailed in Moscow On Drug Charges

By ALAN CULLISON

Moscow police have arrested an American musician living in Russia on drug charges that could carry a sentence of up to 12 years in prison, Russian news services reported on Sunday.

Travis Leake, 51 years old, was arrested after police raided his apartment in Moscow last week and seized paraphernalia allegedly used for drug-dealing, state-run Russian news services reported. Police also arrested Leake's girlfriend, news services reported.

A Moscow judge ordered him held until Aug. 6, a Moscow court website reported.

Drug laws are unevenly enforced in Russia but can lead to lengthy prison terms. In recent years, they

have been a pretense meting out long prison sentences to Americans in Russia. whom the U.S. State Department has repeatedly urged to leave the country amid

sharply worsening relations. Moscow's state-run televi-

sion Russia-24 identified Leake as a former U.S. paratrooper who had been living in the country since 2010. In Russia, he worked as a singer in at least two musical groups, other Russian news services

reported. In their raid on his apartment, police seized Ziploc bags and a scale, they re-A Facebook profile bearing Leake's name contained numerous posts indicating an interest in music, and that he chose to remain in Moscow after Russia's invasion of Ukraine. The posts told

friends not to worry about his

welfare and that he felt safe in

Moscow.

The State Department is aware of reports that a U.S. citizen was arrested in Moscow, a spokeswoman said, but because of privacy considerations, she declined to discuss specifics. She said that after an arrest of a U.S. citizen, the State Department pursues consular access. Lately, Russia has routinely denied such ac-

The State Department has urged Americans to leave Russia amid a rash of arrests of Westerners and Russians alike for alleged spying activities. U.S. officials say that Russia could also be amassing U.S. prisoners so they can swap them for Russians detained in the West.

In March, Russia's Federal Security Service detained Wall Street Journal reporter Evan

**Travis Leake** 

faces a

sentence of up

to 12 years

in prison.

Gershkovich while he was on a reporting trip in the provincial city of Yekaterinburg, and charged him with espionage. The U.S. has declared him wrongfully detained. The newspaper ve-

hemently denies the charges.

Others held in Russia include Paul Whelan, a businessman serving a 16-year sentence for espionage, and Marc Fogel, a teacher serving a 14-year sentence for marijuana possession. Mr. Whelan denies engaging in espionage and Mr. Fogel said he was carrying marijuana that was prescribed to him for medical purposes.

WNBA star Brittney Griner was arrested in February 2022 after traces of cannabis oil were found in her luggage at a Moscow airport. She was sentenced to nine years in prison but was released in December in an exchange for U.S.-imprisoned Russian arms dealer Viktor Bout.

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#### Family Held On **Until Bakhmut** Fell to Russia

By Isabel Coles AND IEVGENIIA SIVORKA

KOSTIANTYNIVKA, Ukraine-As Russia and Ukraine battled for control over the last blocks of the eastern city of Bakhmut in May, Roman Dmytriev went to check on a neighbor. He found him in a pool of blood on the kitchen floor, killed by a missile that landed in his yard.

"I was in shock," Dmytriev recalled. And yet, even after a monthslong Russian onslaught that had destroyed much of Bakhmut, Dmytriev, who had been sheltering in a basement with his wife and two teenage daughters, didn't consider leaving.

The state would soon take that decision out of his hands, forcibly evacuating the family days later.

Most residents of the onceprosperous city of some 70,000 had long since fled. But the Dmytriev family were among several thousand who clung on until the end. Some were looking after elderly or sick relatives, or couldn't face starting over again in an unfamiliar place. Others harbored positive feelings about a potential Russian takeover, or at least an ambivalence over who was to blame for the calamity

engulfing them. When Russia launched its invasion, the family was living in a small apartment on the eastern side of the city, near a tank monument commemorating the Soviet army's victory over Nazi Germany. Within months, the bloodiest infantry battle in Europe since World War II would be raging in the streets around them, but the Dmytriev family didn't see it coming. While others fled, they stayed, ignoring the mayor's pleas on television for

residents to evacuate.

Bakhmut wasn't immediately a target. As Russian forces overran a stretch of Ukraine's southern coast and pushed toward Kyiv during the early weeks of the invasion, the city was relatively calm. But Moscow's focus soon shifted east.

In May, the salt mine where Dmytriev, a 43-year-old with an athletic build, had been employed as a security guard for more than half his life came under heavy bombardment while he was on shift. "I didn't think I would make it," he said. For some, it might have been a signal it was time to go. The shaken people displaced by Russian assaults on the nearby cities of Lysychansk and Severodonetsk were another harbinger of what was to come.

But instead, the Dmytriev family moved into the house of a friend on the western edge of Bakhmut who had also decided to leave.

"I didn't want to leave until the last possible moment," Dmytriev said. "I had too much to lose."

As Russian forces bore down from the east, the family stockpiled food and other supplies in the basement. When the shelling intensified, they went underground with their two pet pugs, a siamese cat, five chinchillas and a pair of parrots.

By then, power and water supply were out. "Electricity has only been around for 100 vears." said Oksana, Dmytriev's wife. "Before that, people survived."

Winter brought subzero temperatures, but the basement was warm. Dmytriev had installed a stove and went out to collect firewood, venturing further each time



Roman Dmytriev with his wife, Oksana, and daughters Maria, on the top bunk with pet pugs, and Sofia in a refugee center.

to find trees that hadn't already been cut down by neighbors.

Dmytriev was on his way to fetch water from a well one day, when an elderly woman crossing the road in front of him was cut down by shrapnel. "She died instantly," he said. He informed the police,

but the body was still lying in the snow when he passed by the next day.

The fighting edged closer. "I looked at the pros and cons," Dmytriev said. In Russia, at least he had rel-

could help him find a job. Nobody was there for him in Ukrainian-held territory. He concluded it was better to remain in Bakhmut under Russian occupation than be uprooted. "There were a lot of people like that there, they were calling us 'waiters,' " he said. "I didn't want to live in Russia, but I wanted to be at his body in blankets and a tar-

Ukrainian authorities viewed these people with suspicion. After hearing they would begin forcibly evacuating families with children, Dmytriev told his daughters to keep out of sight. In any case, it was safer for them to stay

'I didn't want to

leave until the

last possible

moment,'

Dmytriev said.

in the basement. Russian forces spearheaded by the Wagner paramilitary organization were trying to encirthe city cle while advancing street by

It was mid-May when he discovered his dead neighbor Valentyn. "His wife was screaming,'

Dmytriev said. After failing to reach the police, Dmytriev helped dig a shallow ditch at the end of a vineyard and made a cross out of pieces of wood. He buried

Valentyn there after wrapping

paulin.

The next day, Dmytriev returned with a makeshift plaque to mark the grave and discovered it had been struck by another rocket. "I was in shock," he said.

Cut off from the outside world, the family tuned in to both Russian and Ukrainian radio to find out what was happening. They figured the truth lay somewhere in between.

Ukrainian forces were still clinging on to a few blocks in the west of the city on May 16, when Maria woke her father in the night. She could hear upstairs. voices Dmytriev grabbed a flashlight and went to see who was there. Five Ukrainian soldiers were taking up positions in the living room. After 10 months of brutal combat, the battle had finally reached their street. The Dmytrievs' house

was now on the front line. Hungry and exhausted, the soldiers told Dmytriev they were the only surviving members of their unit. He feared

their presence would make the house a target for Russian forces but shared humanitarian aid he had received with them.

Two days later, the soldiers left. But that night, the family was awoken by Ukrainian military police. "I was still half asleep," Dmytriev said. "I didn't understand what was going on."

The family was being evacuated. Dmytriev protested in vain. In the rush to leave, Oksana forgot her phone. Dmytriev left his passport behind. The family took their dogs with them, but the cat didn't come when they called its name, so it remained in Bakhmut. They asked the police to set the rest

of the animals free. The day after they left, a volunteer sent them a picture of the house where they had spent the past few months. A missile had ripped the roof off. Still, they yearned to be there.

"No one will return what I lost. Not one side, not the other," Dmytriev said. "Nobody will return anything. But we must survive."

#### FROM PAGE ONE

#### Tip Screens Awkward for Clerks, Too

Continued from Page One toward no-contact taps and swipes, with systems made by such companies as Block, Toast and Clover that included screens giving customers the option to tip a few bucks or a percentage on their purchases. And many did so, especially during Covid-19 outbreak, when tipping was meant to thank workers who put themselves at risk in public-facing jobs.

The screens make tipping the default, and some customers are growing weary. Your barista understands, mostly.

"It's kind of forcing them," said Delossantos, 21 years old. "If people want to tip, they tip. If they don't, it's fine."

Tip screens, often iPads mounted on the counters, prompt customers to choose a gratuity when they check out. This technology has significantly increased the number and size of tips service workers get. Baristas and service workers at a range of businesses said that at busy times, it is often easier to just skip the prompt and move on to the next customer. Workers said they start making the customer's order as soon as they flip the screen to the customer, to avoid having to stand at the counter while the payer decides on the tip. Or they avert their eyes.

#### Lowered expectations

Brandon Hall, 26, a barista in New York, said tips are part of the conversation when he interviews for a cafe job—hiring managers tell him the tip average in addition to how much he is going to make an hour.

Hall said he has learned not to expect a tip on every order, especially if it is just coffee and a pastry. For made-to-order items such as a matcha latte, he admitted to feeling offended when the tip is skipped because

making those drinks takes skill. During a busy six-hour shift on Memorial Day weekend,



Samantha Sanchez Kawano, manager of Tidal Tea in New York, says chatty customers are usually the biggest tippers.

"no tip," Hall said. Skimpy tips during a rush "can be pretty crushing," he said.

Sometimes workers can predict how much customers

'The people who engage in conversations are usually the biggest tippers," said Samantha Sanchez Kawano, 24, manager of Tidal Tea. Regulars and people who bring in their dogs are usually generous, too, she said. She has also noticed that when she speaks Spanish with customers who speak the language, they usually tip more.

Young children are another matter. "They probably had to convince their parents to let them buy a \$6 bubble tea drink already, so they may not want to be like, 'Oh and I also tipped the barista," Sanchez Kawano said.

There is no way to completely escape the awkwardness of watching a person decide whether or how much to tip, service workers said.

In May, Jovanni Bautista, 19, started as a barista at Asbury Park Roastery in New Jersey—his first job with tips. When customers are prompted to leave a tip, he said, he makes a point of looking away or avoiding eye contact.

"If I'm looking at them while they're paying, I just feel like it's pressuring them," Bautista said.

Also in the just-look-away Alexander contingent is Desormeaux, 20, a barista at a Starbucks in Baltimore. Desormeaux said the interactions get awkward only when

customer after customer hit customers ask him to explain how the tipping screens work or make complaints.

#### Effect on paychecks

Like waiters, some baristas food-service workers qualify for a tipped wage that is typically lower than the minimum pay in their state. For example, the minimum wage in New York City is \$15 an hour. But service workers can be paid as little as \$10 an hour as long as tips make up the rest, according to the state's Labor Department.

Some companies split tips based on how many hours an employee has worked; others distribute the tips evenly among all their employees.

Customers are growing used to the tips on small transactions and sometimes notice when they are missing. Calysta Webb, the owner of Berry Bay Smoothies in Washington state, sometimes takes drink orders at her stores' drive-throughs. Then she hands the customer a device to swipe a credit card, select a tip and make the payment.

Webb, 31, used to skip the prompt to tip before giving the payment device back to the customer, figuring that, as an owner, she didn't need the gratuity. One day, a customer complained about not having an option to tip.

To avoid more awkward moments when she is working, Webb now leaves it up to the customer to decide to tip or not—and she said she gives the tips to her staff.



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#### FROM PAGE ONE

from ielts2.com

#### New Soros Is Handed Control

Continued from Page One and racial bias in the justice system, among the efforts that have riled the right.

Alex said he was concerned about the prospect of Donald Trump's return to the White House, suggesting a significant financial role for the Soros organization in the 2024 presidential race. "As much as I would love to get money out of politics, as long as the other side is doing it, we will have to do it, too," he said in an interview at the fund manager's New York offices.

In contrast with some on the left, Alex believes that speech on college campuses and elsewhere has become too restricted.

"I have some differences with my generation in regard to free speech and other things—I grew up watching Bill Maher before bed, after all," he said, referring to the TV personality and First Amendment advocate.

Some doubted that George, 92, would ever cede his top spot while still alive. In addition, he said in an interview, "I didn't want the foundation to be taken over by one of my children, as a matter of principle. I thought it should be managed by someone who is best suited."

For years, people close to George believed that Alex's elder half-brother, Jonathan Soros, 52, a lawyer with a finance background, was the clear successor. Tall and athletic, Jonathan played tennis with his father, worked for a time at the foundation and stabilized the Soros hedge fund during turbulent times. Then came a falling out and a change of heart.

Alex, who wears large-frame glasses and a neatly trimmed beard, eventually gained his father's trust, standing in for him on trips to the organization's offices around the world. "He's earned it," George said.

In December, the OSF board elected Alex as its chairman, replacing his father. Alex also now directs political activity as president of Soros's super PAC. The younger Soros is the only family member on the investment committee overseeing Soros Fund Management, the firm that oversees money for the foundation and the family. Most of its \$25 billion will be directed to OSF in the years ahead, according to a Soros spokesman. About \$125 million has been set aside for the super PAC.

Alex's work in the family organization has so far revealed a collegial management style that differs from his father's, colleagues said. Alex attends to details George would usually ignore, carrying a small notebook to meetings

that he fills with notes to share with staffers, they said. "He can drive folks in the foundation crazy because he's so hands-on," said Anthony Romero, executive director of the American Civil Liberties Union, which receives OSF funding.

The selection of Alex, a hiphop fan and New York Jets devotee, was once a long shot. Early on, Alex barely spoke up in meetings and was best known for his highflying social life. "Gorgeous models, NBA pals and hide-and-seek at his mansion: Welcome to the lavish life of investor George Soros' playboy son," said one Daily Mail.com online headline in 2016.

#### One big bet

George Soros built his fortune in the 1970s and 1980s as a pioneering hedge-fund manager who placed wagers in global stock, bond and currency markets based on his forecasts of economic and political shifts. He made investments after sifting through a web of information, including intelligence from a network of political and business contacts. A single bet that the British pound would fall in 1992 yielded his fund more than \$1 billion in gains.

What set George apart was his ability to change direction on investments and "exit them with an open mind when that conviction waned," said Stanley Druckenmiller, the former chief investment officer of Soros's hedge-fund firm.

George treated employees like stocks, Druckenmiller said in a recent podcast interview. "I was his ninth successor."

After the fall of the Berlin Wall in 1989, George's philanthropy focused on buttressing democracies in the former Soviet bloc and elsewhere.

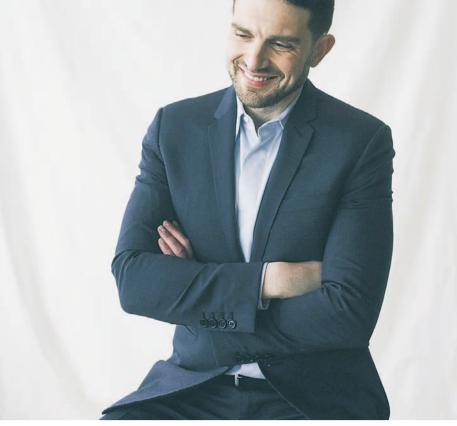
In 2004, he drew a backlash in the U.S. when he said that preventing President George W. Bush's re-election was the "central focus" of his life. He backed Barack Obama's 2008 presidential campaign and sparked further criticism for supporting needle-exchange programs and the legalization of marijuana for medical use.

#### Holocaust survivor

George, who was born in Hungary, pulled his foundation out of the country in 2018 after it became a target of Prime Minister Viktor Orban.

The invectives have since swelled. Last month, Elon Musk tweeted that George Soros "reminds me of Magneto," a Marvel comic-book character, who, like George, is a Holocaust survivor. In response to criticism of the comparison, Musk added that George "wants to erode the very fabric of civilization," drawing a rebuke from the Anti-Defamation League.

"I'm the go-to man when they want to blame someone." George said.



'I'm more political'

Alex Soros, the successor to head his father's \$25 billion empire

to Annaliese Soros, and has a brother and sister. His parents split when Jonathan was seven, and his father moved to an apartment walking distance from the family home across the street from Central Park in New York.

He grew up wealthy, but George had yet to become an internationally known financial figure. After graduating from Wesleyan University in 1992, Jonathan spent two years working in a new Soros foundation office in Budapest.

He joined the Soros investment firm in 2002, after receiving degrees in law and public policy at Harvard. He stabilized the firm as president after several investment chiefs—chafing from secondguessing by George—quit or were replaced. Jonathan earned respect from colleagues and was seen as his father's heir apparent.

"I expected Jonathan to be the one," said Aryeh Neier, president of OSF from 1993 to 2012.

Jonathan also assumed he would be tapped to lead the Soros organizations, though he understood his father's predilection for reversing course. "I always knew he could change his mind," he said. "As a trader, it's the thing he's most formus for"

thing he's most famous for."

Their differences upended the succession plan. George was impulsive. Jonathan was analytical and contemplative. Jonathan was respectful of George but pushed back when he disagreed with his father's decisions, according to people who worked with them. When they butted heads about two

senior hiring choices, George felt his authority challenged. Jonathan felt undermined.

Looking to keep peace in the family, Jonathan left the Soros's investment business in 2011, he said. His father soured about picking him to lead the foundation. "We didn't get on on certain points," George said. "That became evident to both of us, particularly to him, and he wanted to be out on his own."

Jonathan lives in Manhattan with his wife and three children and, since 2012, has worked on public-interest projects. He co-founded Athletes Unlimited, which operates professional women's softball, basketball, lacrosse and volleyball leagues.

"We ended our business relationship on pretty good terms," Jonathan said of his father. "I was disappointed but not regretful."

He and Alex are friendly but not close, according to people close to the two men.

#### Football, politics

Alex, the oldest of two sons from George's marriage with his second wife, Susan Weber, longed to be closer with his father while growing up in the upscale hamlet of Katonah, N.Y. "He was there, but he wasn't there. He was thinking about markets the whole time." he said.

As a boy, Alex was introverted, overweight and embarrassed by his family's wealth, childhood friends said. One classmate told him, "Your dad is famous, you should be really worried about being

e kidnapped," a warning that unnerved Alex, he said.

As a teenager, Alex sometimes had bodyguards while traveling abroad, and his family name drew unwanted attention. He embraced sports and music to fit in. "I wanted to be more normal, in a way," he recalled.

Alex grew closer with his

father after his mother filed for divorce in 2004. He was an 18-year old freshman at New York University at the time.

"In a way, he took fathering more seriously after the divorce," said Alex, who earned a Ph.D. in history from the University of California, Berkeley.

He cared little about finance and couldn't persuade his father to watch football. Instead, they spent hours discussing ideas and global politics. His thesis topic, "Jewish Dionysus: Heine, Nietzsche and the Politics of Literature," thrilled his father.

For Alex, "it's football, philosophy and politics, in that order," said Svante Myrick, one of his friends.

During football season, when he isn't traveling for the foundation, Alex is glued to NFL RedZone, which jumps to scoring plays in various games. Myrick said he avoids calling his friend on game days, when Alex is focused only on winning their informal betting league. "He never makes me pay," Myrick said,

"but he rubs it in."
For years, Alex gained media attention largely for attending parties in such locales as the Hamptons and Cannes.

lebrities, including Usher and model Chanel Iman, a former girlfriend.

Alex worked part time at the foundation between 2004 and 2006 and later joined OSF's board. He didn't make an impression, much less as a likely successor, according to people who worked there. "Alex used to come to board meetings, but he hardly spoke," said Neier, OSF's former president.

On his own initiative, Alex traveled to remote parts of the Amazon to meet with indigenous leaders to draw attention to their needs. He joined the board of Global Witness, a group exposing human rights abuses by mining companies and governments.

#### Party appeal

In 2015, four years after Jonathan's departure from the family foundation, Alex took a full-time role. He worked with George's longtime adviser, Michael Vachon, and others, to hone his public speaking and political skills. He emerged as his father's deputy.

After the 2016 election, amid fears that Congress might investigate OSF, some at the foundation urged a lower-key approach. Alex pushed colleagues to instead step up their work. He helped bolster OSF's annual spending in Latin America to \$60 million from \$12 million. The foundation backed organizations in Colombia to support the 2016 peace accord that ended decades of violence, said Pedro Abramovay, who runs OSF's Latin American office. In the U.S., Alex worked with Democrat Stacey Abrams to improve voter turnout in the South.

While criticism of George Soros sometimes includes antisemitic tropes, the Soros foundation hasn't supported many Jewish causes. Alex, by contrast, has visited Israel several times and he celebrates such Jewish religious holidays as Rosh Hashana and Passover, which his father doesn't.

Alex is more focused on domestic politics than his father, he said. Alex is helping Democrats appeal to Latino voters and improve turnout among Black voters. He has urged Democratic politicians to better hone their message, broadening the party's appeal.

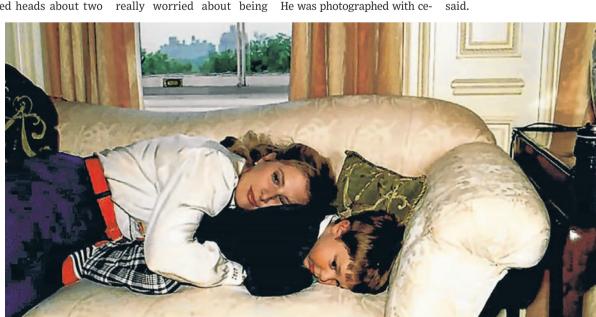
"Our side has to be better about being more patriotic and inclusive," he said. "Just because someone votes Trump doesn't mean they're lost or racist."

Alex doesn't command a room like his father, appearing uncomfortable in large public settings, colleagues said. And he is hindered by a relative lack of experience on the world stage.

But his appointment could help the organization in one important way, according to people who work with him.

"Alex is unlikely to be the boogeyman that George Soros was for the right," Romero



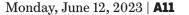




**Clockwise from top** right, Alex Soros as a boy getting a hug from his mother. Susan Weber: investor Marc Mezvinsky, Alex Soros and fashion designer Maxwell Osborne in 2017: George Soros at Alex Soros's 1998 bar mitzvah. 'Alex is unlikely to be the boogeyman that **George Soros was** for the right,' said Anthony Romero, executive director of the American Civil Liberties Union, which receives foundation funding.

#### PERSONAL JOURNAL.

THE WALL STREET JOURNAL.





WORK & LIFE RACHEL FEINTZEIG

vervone needs a breather. We like to picture our careers as straight, steady lines to the top, each year bringing the satisfied glow from a higher salary, sharper skills, a bigger title.

Then actual life hits. We have babies, or sick parents. We get tired. Companies change, too, freezing head count or cutting back on promotions

Sometimes, the only thing to do is to tread water.

"It doesn't need to be this continuous upward trajectory," says Becca Carnahan, a Massachusettsbased coach who counsels midcareer parents.

There's a smart way to be on hold, she says, so that you can ramp up again when the moment is right-if you want to.

Start by reminding yourself what you're prioritizing instead of climbing the ladder. Maybe you're choosing stability or your family or health. Focus on what you're adding, not giving up. This can help alleviate the guilt and insecurity that Carnahan says she's seen plague clients in moments of career stagnation.

"It feels like a bit of an identity crisis to not want the next thing right away," she says.

Keep a running list of what you are still accomplishing, she adds. Get more efficient by tapping tech, such as artificial-intelligence products or a new Excel formula, to streamline some basic duties. (Bonus: You're building a new skill.) Spend a week tracking your time, looking for areas where you're spending hours but not producing stuff your boss really cares about.

When you're offered that big project or business trip you don't want to take, center your response on what you are doing right now. I'm dedicated to this client project, so it's not the right time for me. Or. I'd love to take that on, as soon as I finish this presentation for the sales team.

#### **Choosing family**

Sometimes, being transparent can

James Greenebaum, a marketing professional in Albuquerque, N.M., was long open with his manager about his role caring for his mother, who had cancer for 17 years. When her treatment stopped working last spring, he knew he had to turn his focus from the promotion he'd been working toward.

"My priority was not my job,"

He took a 12-week leave from work, a request that felt natural after keeping his manager in the

loop during earlier days working



#### A Thoughtful Pause Can Help Advance Your Career Later On

It might not be the right moment to take on more, but that doesn't mean you've stalled

from his mom's house and blocking time to administer her medication and do her chores. He was able to be fully present during the weeks leading up to her peaceful death at home.

It can be upsetting to realize sheer effort isn't necessarily the thing that gets you ahead.

He returned to work ready to hunker down with his projects. Within a year, he got the promotion. Like many of the people I talked to for this column, he said he has no regrets about prioritizing family.

"It's OK to wait," Tim Johnson, the chief human-resources officer for workers' compensation com-

pany Pinnacol Assurance, told me. Years ago, he said yes to a new iob in Florida, though it required

his wife to abandon the teaching

degree she was on the brink of completing in New York. He felt guilty about sidelining her career that way, he says. When a similar offer popped up recently that would have put a wrench in his

wife's master's degree, he said no. 'There will always be opportunities," he says.

#### Make a good impression

So much of our success at work is about how we present ourselveshow we sell our ideas, how we support our colleagues, how we raise issues to our bosses. It can be upsetting to realize sheer effort, or checking every box we think we're supposed to check, isn't necessarily the thing that gets you ahead. Maybe it's a little freeing, too.

Don't have a big win to announce at a meeting? Focus on asking insightful follow-up questions instead, says Övül Sezer, an assistant professor of management and organizations at Cornell University who studies how to make good impressions. Questions make the speaker feel respected, and signal your own intelligence, she says.

Likewise, asking a higher-up for advice is flattering and validating to the recipient. With our egocentric way of viewing the world, we tend to think highly of people who come to us for our brilliant take, Sezer says.

New research from Sezer and colleagues also finds that sharing what you're going through—your family responsibilities, a fraught moment in your career—can lead people to see you as likable, as long as you do it the right way. Flick at your struggles as part of a broader, positive story about your learning and growth.

#### Keep your options open

So many of us believe job opportunities are black or white-vou either jump at an opening when it comes or never get the chance again, says Dorie Clark, who consults with companies like Microsoft on leadership development and training. There's an in-be-

tween, she assures. Even if you know you can't take on the big new role right now. contact the hiring manager. Note

that the timing isn't right for you but that you think you'd be great in the position. Could they loop back if something similar opens up in the future?

You won't offend anyone, Clark says. And if the winning candidate ends up missing the mark or jumping ship, the job could be yours six months down the line.

Sometimes, our careers are frozen by no choice of our own.

Carter Cast spent eight years as a middle manager at PepsiCo, feeling stuck and inpatient, he says, as his peers rocketed ahead. He used the time to shadow executives and think about what departments provided paths to the top. Soon, he was leapfrogging others there, and then at Walmart, where he rose to become chief executive of the retailer's online division.

"People want such immediate gratification," says Cast, now an operating partner at a private capital firm, an entrepreneurship professor and a corporate board member. "You end up realizing your career is long and you have plenty of time."

"The definition

At the end of the

#### Some Runners Find Slow a Go

By JEN MURPHY

he application for Mirna Valerio's annual running retreat in the Azores cautions, "We will not be moving fast. I repeat, we will not be moving fast. This is not an experience that is suitable for really fast, competitive people."

Valerio will turn away any 8-minute milers obsessed with their Garmin watches from her Slow AF Trail Running Adventures event unless they're willing to slow down.

The 47-year-old, Burlington, Vt.based ultrarunner and motivational speaker is one of the leading voices



Martinus Evans, a 300-pounder who created the Slow AF Run Club, has finished eight marathons.

in a growing movement to make running more inclusive by championing fun and community over finish times. Runners like Valerio are also shining a light on ineguities she says she and other slower runners face, from asking marathon organizers to keep aid stations staffed longer to promoting groups and events that aren't about speed.

"Just because vou're slow doesn't mean you don't take your training seriously," Valerio says,

noting she rarely skips a workout unless it's because of injury or circumstances like the current air quality.

Her eight-day retreat culminates with a trail-running race of participants' chosen distance, from 6 to 73 miles. She guarantees that no matter how long you need to finish, there will be water and bananas on the course and a cheering squad waiting at the finish.

#### How slow is slow?

When Jetaun Pope, 42, signed up for her first marathon in 2018, her goal wasn't speed. The self-described "running turtle" just wanted to finish. Looking for support, she joined a training program in her home city of Chicago and was assigned to the slowest pace group.

"On a good day I can average a 13-minute mile, so I thought maybe they'd help me improve," says Pope, a high-school math teacher. "I didn't miss a session and always gave my



best, but I couldn't ever keep up."

She felt defeated, but also discouraged that she didn't see many other runners who looked like her. Her coach suggested she start following Latoya Shauntay Snell and Martinus Evans, two larger-bodied runners helping shatter the stereotype that runners must be rail thin.

The duo's podcast, "The Long Run w/ Martinus and Latoya," provided Pope the support and training insights she'd been missing, she says.

Their honesty motivated Pope across the finish line of the 2018 Chicago Marathon.

The race has a cutoff time of 6 hours and 30 seconds. When she reached the finish line in 7 hours and 5 minutes, there were no cheering crowds. Staffers were packing medals into boxes. The only upside of being a back-of-packer was that no other runners ruined her photo

finish, she jokes. Snell had a similar experience at

the 2018 Chicago Marathon. That prompted Evans, her podcast co-host, to pen an open letter to race directors from the back of the pack, which he aired on the show and posted on his blog, 300 Pounds and Running.

Slow runners put in the training and pay the same race fee as speedy runners, yet aren't treated with the same respect and care, he argued. The post went viral. One year later, he launched the Slow AF Run Club. a virtual community for back-of-thepackers that has grown to nearly 10,500 members worldwide.

Evans, 36, weighs 300 pounds and has completed eight marathons. A certified running coach based in Brooklyn, N.Y., he has become an advocate for what he calls nontraditional runners.

"If you think you're too fat, too old or too slow to run, well you're wrong," he says. His recently released book, "Slow AF Run Club: The Ultimate Guide for Anyone

#### ing a strong runner. **Happy finishes**

Race organizers and running groups are taking note. New York Road Runners' final finishers initiative ensures that there's a party-like atmosphere at the end of races, including the New York City Marathon. Volunteers, staff and professional athletes wait at the finish line into the evening to ensure later race finishers have the same experience as others.

Bethany Steuer discovered a running group near her home in Albany, N.Y., that has no-drop runs. One runner agrees to always stay at the back of the group so no one feels like they're last.

The 46-year-old attorney for the state of New York is a proud backof-packer and says she always associated getting faster with getting thinner. "People like Martinus and Mirna are helping undo that narrative," the Slow AF Run Club member says.

#### PERSONAL JOURNAL.



TECHNOLOGY NICOLE **NGUYEN** 

haring is caring. But sharing passwords is...a major security risk. Since we inevitably do it anyway-like when your kid asks for the Disney+ login or when your spouse needs access to the grocery-delivery account-I asked experts on identity theft and cybercrime if there are safe ways.

Netflix estimated that roughly 100 million people are using the streaming platform with someone else's password, which is against the company's terms of service. The service recently cracked down on the practice after turning a blind eye to rule breakers for years.

But sharing isn't just for account moochers. I often help lesstech-savvy loved ones with app troubleshooting remotely. I also need to share online logins for utilities and other joint accounts with my husband.

The experts said password sharing is generally a bad idea. Your digital security is only as strong as your weakest link, and if that link is a former roommate's cousin, you could be in trouble. If you reuse passwords, the people you share with can easily get into your other accounts. And even if you have unique passwords for every service, your sharing buddy could get hacked. But there are ways to share more responsibly and securely, if you focus on three main risks factors:

- ► What login details you send ► **How** you send them
- ▶ Who you send them to

Here's how to think through which passwords you can share in a safe way, and which ones you ⊗should never share.

#### **ELimit the WHAT** ₫ Not all accounts expose you

"Email is the most risky," explained Zulfikar Ramzan, chief scientist at Aura, an identity theft protection service. Email can be used to reset other account passwords of yours, so you should keep it to yourself. The same goes for your phone's passcode, as we explained in our recent investiga-

#### There Are Good and Bad Ways to Share Passwords

Utilize an encrypted manager instead of using email or SMS



Financial accounts are also not something you should share, Ramzan said. "As you get further down the stack, it gets less critical," he added.

Look at what's visible in the account's setting page before you share. Are credit-card or bank-account details available?

And never share a password that's used across multiple accounts. If you need to share a password, consider making up a new one for that purpose. Password managers can help you create and store strong, unique passwords for each account.

#### Consider the HOW

"Using email or SMS is the equivalent of sending a postcard," Ramzan said, "and you wouldn't put

something sensitive on a postcard." Those communication methods generally aren't encrypted end-toend, so they're easier for criminals

A good approach is to share a password for a limited time, changing it after a set period.

to snoop. Your cell carrier has access to all of your regular texts. Better bets would be Apple's iMessage (blue bubbles) or WhatsApp, where messages are encrypted and inaccessible to the companies that operate them.

Password managers, which include tools for sharing passwords, are even safer, Ramzan said. They employ what's called "zero-knowledge" security. In other words, the manager can never read your data-only you have access with your master password.

#### Scrutinize the WHO

It might seem obvious, but only share credentials with trusted parties. And if your relationship with someone changes...so should any shared passwords.

Even someone you know well could pass on a vulnerability by clicking on malicious links or downloading malware, said Trevor Hilligoss, director of security research at cybercrime analytics firm SpyCloud. If your password is stolen through such an attack. your account could be compro-

A good approach is to share the password for a limited time, by changing it after a set period. "Set a reminder on your phone and change your password in two weeks," Hilligoss said. For some services, such as Netflix, Spotify and Disney+, you can boot off moochers.

#### Share encrypted logins

Most password managers have login-sharing tools. In 1Password, you can share copies of any items in your vault. 1Password will create a link you can send to anyone. You can set the link to expire after a set period, between one hour and 30 days. Dashlane users can share saved items with other Dashlane users. You can always click on the item in your vault to revoke access.

On an iPhone, iPad or Mac, you can share a password from iCloud Keychain with a contact through AirDrop. Apple just announced that its iOS 17 software update, expected this fall, will support sharing multiple passwords, two-factor verification codes and passkeys stored in iCloud Keychain. Your trusted contacts must have iPhones, and you can sort them into groups.

#### Use family plans

Most streaming services require account sharers to be in the same household—that is, living at the same address. According to those terms, a kid away at college using a parent's account would technically break the rules.

But many family plans don't require you to live under the same roof. Better yet, they allow you to split subscription benefits without having to share a password. Even in your home, with your own kids, this is a smarter approach. Major family-plan offerings include Amazon Household with two adults, Apple One with up to six people, Google One for up to six people and Steam Games for up to five people across 10 devices. Uber now offers family profiles that include teenagers.

#### Set up a legacy contact

Giving access to your online accounts in case you die or become incapacitated is tricky but imperative. Google lets you designate a contact if your account goes inactive. And Apple offers you a legacy contact to collect your account if vou die.

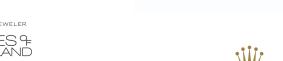
Some people give their password list to a law office or bank safe deposit to hold.

For sharing that all-important login for your password manager, Hilligoss proposed a high-security, low-tech solution: "Write your master password down on a Postit note and stick it in a safe, or somewhere physical, where malware can't get to it.'

#### COME WIND, HAIL OR TEMPESTS

Its name says it all. The Explorer was inspired by those who first summited the Earth's highest peaks. Like them, it is able to endure these most strenuous conditions. However sober and smart this watch may be, it is precisely the tool these adventurers need. Amidst the chaos of the unknown, what these men and women require is reliability and above all, simplicity. Something reassuring, efficient and instantly legible, to ground them even if nothing else around or within them does. This watch embodies just that. An unremitting teller of time, come wind, hail or tempests, that will see one's own adventure to its pinnacle. The Explorer.

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#### **Travelers Reconsider** Their Airline Loyalty

By Jacob Passy

ome travelers are beginning to question whether chasing elite status with airlines is worth the effort.

Airlines, hotels and other travel providers initially made it easier to secure and maintain status in their loyalty programs in the wake of the pandemic. They granted free extensions to people who had high levels of status, with the number of fliers in elite tiers ballooning as a result.

Now those extensions have largely come to an end. At the same time, many status perkssuch as first-class upgrades or cashing in miles to book luxurious vacations-have become harder to secure.

The double whammy has many travelers reevaluating whether status with an airline is worth the potentially higher cost of booking flights with a single carrier rather than playing the field. The result is that some are choosing to ditch their status altogether and become travel free agents.

The first quarter of this year marked the "downgrade apocalypse." says Mark Ross-Smith, chief executive of StatusMatch.com, a company that designs and implements loyalty promotions for travel companies.

About 20 million U.S. loyalty-program members had their status downgraded, he says. That figure includes people who were members of two or more programs, including ones with hotels and other travel providers.

"People are a bit more open to other brands because they've been unchained from those golden handcuffs or platinum handcuffs," Ross-Smith says.

Some airlines are making changes to boost their loyalty programs to be more competitive with other airlines. An American Airlines spokes-

man said starting June 9, booking an award ticket on select flights through the carrier's AAdvantage program will result in a complimentary upgrade at all status levels.

#### Paring down

Kyle Stewart, director of Pittsburgh-based travel agency Scott & Thomas, previously had top-tier status with United Airlines, American Airlines and Spirit Airlines. Today, he only maintains that level with Spirit.

Earning and maintaining status with Spirit, Stewart

Delta Air Lines and United have ushered in steep hikes for booking award trips to destinations in Europe, Asia

and Australia-in some cases

dream overseas vacations.

doubling the number of miles needed, says Kyle Potter, executive editor of travel industry blog Thrifty Traveler. These changes are driven

by dynamic pricing models many airlines now use for re wards flights, which change based on travel demand.

#### A lower ROI

Jeff Bauer, a financial controller who lives outside Minneapolis, used to travel frequently to Asia for work and had Diamond Medallion Status with Delta. He now travels far less, but Bauer says



Delta has increased requirements for booking awards trips to Europe, Asia and Australia, in some cases double the miles.

says, was easier than with larger carriers. Spirit also gives a bigger return on money spent on perks such as seat selection or checked luggage.

Meanwhile, he found that with the major carriers, taking advantage of perks such as upgrades to better seats had become increasingly difficult, an issue he says he doesn't face with Spirit.

One big loyalty benefit that industry analysts say has shifted recently at many airlines is the cost of using the miles or points accrued from spending on travel or using a co-branded credit card to book flights. Much in the way that it costs more to pay out of pocket for airfare, it now takes more miles or points to book those

he is sitting on roughly 2.5 million Delta miles he accrued before the pandemic.

He says those miles don't go as far as they once did. Bauer says he used to reqularly find deals from Delta whereby he could fly as far as Tokyo for just 100,000 miles. A recent search for flights to Norway in August suggested he would need to spend around 600,000 miles per round-trip business-class ticket if he wanted to book the flights with rewards for him and his wife.

A Delta spokesman said the airline evaluates its award travel pricing regularly.

"Increasingly, the juice is not worth the squeeze anymore," Potter says. "The average traveler is much better off as a free agent."

#### ARTS IN REVIEW

from ielts2.com

**ART REVIEW** 

#### 'Kinship' Finds Convergences On Camera

By WILLIAM MEYERS

San Francisco he "Kinship: Photography and Connection" exhibition at the San Francisco Museum of Modern Art was conceived and organized by the curator and head of photography at SFMoMA, Erin O'Toole. Her notion was that after three years of pandemic-enforced isolation and other social traumas, it would be interestingmaybe even therapeutic-to show photographs that illustrated connection: she said she intended the definition of "kinship" to be "pur-

In the wake of Covid-19, an exhibition gathers photographs that illustrate connection.

posefully broad." Ms. O'Toole selected California photographers Deanna Templeton, Alessandra Sanguinetti, Paul Mpagi Sepuya and Mercedes Dorame, as well as Jarod Lew, who lives in New Haven, Conn., and New York-based Farah Al Qasimi. Each was given a separate space in which to exhibit work from a single project.

The most obvious definition of "kinship" refers to family ties. And the first space one enters is occu-

pied by Ms. Sanguinetti's "The Adventures of Guille and Belinda and the Enigmatic Meaning of Their Dreams," 14 pictures from a project she began over 20 years ago documenting the relationship between two cousins and the place where they live in rural Argentina. The earliest of the chromogenic images, "Shepherds" from 1998, shows the two young girls standing side-by-side on an extensive grassy plain with a single sheep; one of the cousins is slender and one is chubby. The physical difference is more apparent in "The Necklace" (1999), where the heavier child is examining a necklace worn by her slimmer cousin. But the series demonstrates their continuing affection for each other-startlingly in "Ophelias" (2002), where they float side-byside in a body of water, each holding flowers. Later pictures show pregnancy and a baby.

Ms. O'Toole said she wanted "Kinship" to show "affection and affinity," and the definition is stretched furthest in the work of Mercedes Dorame. She is an indigenous American of Gabrielino-Tongva heritage, and her project "Everywhere Is West" involves pictures of the tidal spaces in the Channel Islands off the California coast: there are no people in any of her 14 inkjet prints (all from 2022), but pictures like "I Will Come From the Ocean - Moomvene Kimaaro," an image of abalone clinging to a rock emerging

> from the water, help her establish a feeling of kinship with her ancestors who inhabited the area. Some pictures, such as "Algae Portal - Shooxar Tukuupar," are close-ups approaching abstraction in their attention to color and texture; those like "Asphaltum Seeps -Shaanat Chuuynok'e," all shiny black and green, feature substances of importance to the tribe's rituals and its material culture.

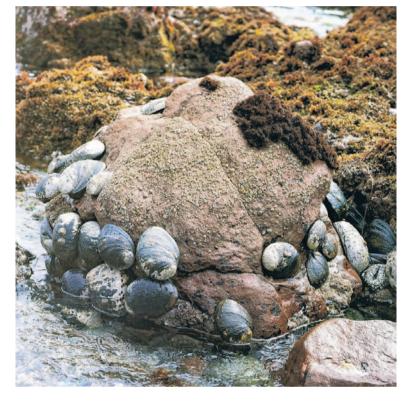
Jarod Lew is Chinese-American; when he learned that in 1982 his mother's fiancé had been murdered by anti-Asian toughs, he began exploring the experiences of



Clockwise from above: 'The Necklace' (1999) by Alessandra Sanguinetti; 'Abalone Congregation' (2022) by Mercedes Dorame; and 'Snail' (2022) by Farah Al Qasimi

young Asian-Americans living in the suburbs and their relationships to the two cultures of their identity. "Please Take Off Your Shoes" is the title of Mr. Lew's project and of his 2021 inkjet picture showing several dozen pairs of neatly arranged footwear outside the door leading from a garage into a house; prints of two robed Chinese children and a bright red medallion are on the door. The girls in "Welcome Home (Elina and Amelia)" (2021) sit at a table on which rests a whole roasted pig; one wears a T-shirt with "Kalahari" printed on it, presumably the resort chain, and on the wall above them are a commercial "Welcome Home" banner, two inflated party balloons and a smiley-face. Homer Simpson and Asian writing are printed on the T-shirt "Gracie" (2019) wears; she also has on a face mask of some white material and a yellow rubber-

The 13-foot walls of the six exhibition spaces are each painted a color appropriate to its contents, but the white walls of Deanna Templeton's "What She Said" project also have a 4-foot pink stripe around the middle. Printed excerpts from the diary she kept during her troubled teenage years are interspersed among her 32 informal portraits of teenage girls. "Jaclyn, Death Metal, Huntington Beach, California" (2017), "Amanda, The Clash, Santa Ana, California" (2018) and others wear the T-shirts of the music with which they identify. Some girls—as



in "Shay, Safety pin in nose, Newport Beach, California" (2020), "Writing on forehead, Helsinki, Finland" (2004) and "Scars from cutting, Huntington Beach, California" (2013)—mark their bodies. Ms. Templeton feels a sense of kinship with their struggles.

Farah Al Qasimi and Paul Mpagi Sepuya conclude Ms. O'Toole's half-dozen artists. Ms. Al Oasimi was born in Abu Dhabi and returns there frequently: she photographs people and animals as the relationship between them shifts in the rapidly developing region. An arched foot with red toenails stands near the dead "Locust

in Salt Flat" (2022). "Figure (0X5A0918)" and "Drop Scene (0X5A9306)" (both 2019) are two images in which Mr. Sepuya, black and queer, photographed naked men; their faces are mostly hidden and a camera in the foreground points toward the viewer.

#### Kinship: Photography and Connection

San Francisco Museum of Modern Art. through Nov. 26

Mr. Meyers writes on photography for the Journal. See his photographs on Instagram at @williammeyersphotography.

#### Tracy Nelson, Still A Soulful Survivor

By Barry Mazor

or a singer who has accumulated so many musical friends, Tracy Nelson stands alone. There's the longevity: Her first LP, the folk-blues album "Deep Are the Roots," was released 58 years ago. There's the versatility, demonstrated consistently across multiple roots-music styles: As an R&B shouter fronting the San Francisco band Mother Earth in the late '60s, in the tradition of Etta James, she was seen as serious competition for Janis Joplin, with astonishing tracks like "Down So Low," her original that became a standard, and her thrilling, melancholy-busting take on Boz Scaggs's "I'll Be Long Gone." She immediately turned around and recorded an album in Nashville of the latest country music of the time, backed by much of Elvis Presley's band; she would be Grammy nominated for a country duet with Willie Nelson in the mid-'70s. She'd later form a terrific and atypical working R&B trio with Marcia Ball and Irma Thomas, and return to outright blues in the quartet the Blues Broads. There E quartet the blues broads. ..... He have been jazz and gospel and rock

'n' roll takes as well. Through all of those turns, the sheer power of her voice, the way she can reach down to the lower end of contralto and belt, has been most remarked on. But more important, Ms. Nelson has brought an extraordinary level of vocal elegance, emotional depth and control to all of those roots sub-genres, even when the fashion was for over-thetop, showy displays. She's 78 years old now, and has not had a new album of her own since 2011, so this new release, "Life Don't Miss Nobody" (BMG), has been longawaited. With the quality control maintained, her vocal authority undiminished, it arrives as a very welcome addition to her discography, and it bears multiple surprises.

Places she's been are revisited, and then reimagined, with arrangements produced by Ms. Nelson herself and Roger Alan Nichols. She reunites with Willie Nelson-with Mickey Raphael, his longtime harmonica ace and hers, too, joining in for a solo-for a duet on Hank Williams's hard-country invitation to go "Honky Tonkin'," the come-on now a frisky two-way street. She invites him to go "steppin' out" right back,



Singer Tracy Nelson, whose new album is 'Life Don't Miss Nobody'

as the steel guitar swells. Stephen Foster's 1854 "Hard Times" is introduced not as it generally is nowadays, as an a cappella exercise isolating the melody's beauty, but with churchy organ and accordion, a slapping drum and vocal vibrato. The Eddie Harris-Les McCann jazz hit "Compared to What" is treated as pure soul, rawer than Roberta Flack's version along those lines.

Sister Rosetta Tharpe's "Strange Things Happening Every Day" is

sped along further into the raveup rock style the original helped spark. But then Chuck Berry's rock-'n'-roll-to-the-core "Brown Eyed Handsome Man" gets the New Orleans rolling-rhythm treatment, with her frequent vocal partners Ms. Thomas and Ms. Ball taking verses, too.

For the many who will no doubt come to this set for the blues, Ms. Nelson serves up multiple flavors. These range from Ma Rainey's

"Yonder Come the Blues," in clarinet-backed original vaudeville style, and Willie Dixon's lowdown electric Chicago blues "It Don't Make Sense," with harmonica by Charlie Musselwhite, who'd been with her on that first 1965 record, to "Your Funeral and My Trial"—a chugging and charming duet with today's 27year-old blues star Jontavious Willis on vocals and resonator guitar. Ms. Nelson and Mr. Willis sound like

contemporaries! It may not be mentioned frequently enough that the singer is also a songwriter; the two originals on this set are collaborations, both songs of lived experience, and Ms. Nelson engages with them especially closely. "Where Do You Go (When You Can't Go Home)," written with Ms. Ball, is a tale of someone who's been abandoned and encountered too many broken promises, too many times. The question is left unanswered, like that in the Jimmy Ruffin soul classic "What Becomes of the Brokenhearted?" But raising the searing question is the point.

In the downright ominous title track, written with Mike Dysinger, Tracy Nelson warns us, with blaring horns sounding the alarm, how life goes on without you, no matter how secure you might feel. But have no fear. Ms. Nelson is still very much with us, and this moving collection shows us in so many ways how that's a blessing.

Mr. Mazor reviews country and roots music for the Journal.

#### **SPORTS**

from ielts2.com

By Andrew Beaton AND LOUISE RADNOFSKY

Two days after the PGA Tour agreed to partner with the Saudi backers behind rival LIV Golf, Tour commissioner Jay Monahan on Thursday gathered his employees to explain the deal and his stunning reversal.

From an atrium inside the PGA Tour's headquarters, Monahan's message was clear, according to a person who heard the remarks. The PGA Tour couldn't financially afford to conduct a lengthy spending war against Saudi Arabia and its outsize

The Tour, Monahan told employees, had spent close to \$50 million in its legal fight, which had years to go, and had dipped into \$100 million of its reserves to pay for its schedule. The model was unsustainable, he indicated, as the Tour would have to continue to pay out of its reserves in the future.

"We cannot compete with a foreign government with unlimited money," Monahan said. "This was the time....We waited to be in the strongest possible position to get this deal

When Monahan said he had been asked how he would explain to his own daughters why he did a deal with Saudi Arabia, given its treatment of women, he mentioned his daughters by name and then took a long pause to collect himself before answering, the person said. Then Monahan said that "the cir-

cumstances we were in" meant that he had to "think about all of our players. I have to think about everybody in this room."

"I understand all the human rights concerns," he added. "I've had them

Since the PGA Tour on Tuesday agreed to combine its commercial assets in a new for-profit entity with the golf-related business from Saudi Arabia's Public Investment Fund, in a deal that also includes Europe's DP World Tour, a more precise picture has emerged about the merger that sent whiplash across the golf industry. A key element of that, people familiar with the matter say, is that in its effort to keep up with the billions of dollars pumped into LIV, the PGA Tour was on a path to be financially drained by the Saudis.

"To characterize that this agreement was made due to litigation costs and other use of reserves is an oversimplification," a PGA Tour spokes-

#### PGA Tour Couldn't Afford Fight

Commissioner Jay Monahan said the costs of the spending war with LIV Golf were unsustainable



PGA commissioner Jay Monahan, with Rory McIlroy in 2022, has drawn criticism for reversing course and agreeing to a merger with LIV Golf.

man said in a statement. "With the end of the fractured landscape in the world of men's professional golf, the PGA Tour has never been a more valuable property...This transaction will make professional golf more competitive with other professional sports and sports leagues.'

The idea that the PGA Tour's sudden about face and willingness to do business with the Saudis was motivated, at least in part, by its financial outlook counters the Tour's own public narrative. Since the deal was agreed to, PGA Tour officials have said the Tour's financial future was

But, owing to its new rival, its spending has increased dramatically over the past year.

21 Swearing-in words 25 Forays 26 Turned blue,

28 ID on IRS

29 Tie the knot

Ales, stouts

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34 Lose sparkle

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36 Young fellow

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45 "Finally!"

37 Follows

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When LIV launched a year ago, it brought unprecedented money into professional golf. The \$25 million of prize money it offered at its regularseason tournaments was a record.

Monahan stated last year that "if this is an arms race, and if the only weapons here are dollar bills, the PGA Tour can't compete." But as LIV continued to pick off top golfers-it announced Brooks Koepka as an addiduring the same press conference when Monahan uttered those words—the Tour participated in that financial arms race anyway.

For the 2023 season, the Tour highlighted a number of tournaments with drastically increased purse sizes.

The prize funds at those tournaments increased by \$100 million compared with 2022. Monahan, last year, said the increased pots came from sponsor contributions and the Tour's re-

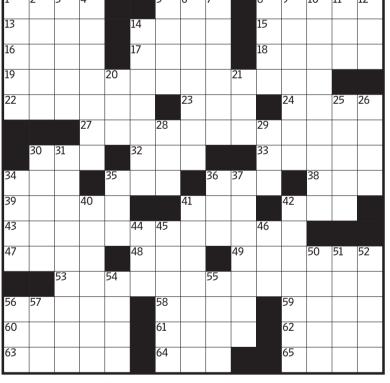
The Tour became locked in a legal battle with LIV, which had sued accusing it of anticompetitive behavior designed to squash a nascent rival. The Tour had countersued, accusing LIV of interfering with its business dealings. People familiar with the situation said that, with potential appeals, the Tour would have been measuring the costs of the legal bills alone in the hundreds of millions instead of tens.

The Tour had also sought more

money from sponsors, especially in connection with the richer purses at events, people familiar with the matter said. But there was little appetite to keep up with the rising costs. Instead, at least one sponsor of an elevated event was mulling whether it wanted to stay in the golf business, one of the people said.

Then the Tour moved to settle its woes with a deal that ends the litigation and bidding on players. The arrangement between the PGA Tour, PIF and the DP World Tour calls for Yasir Al-Rumayyan, PIF's governor, to chair the new, unnamed venture. Monahan will serve as its CEO and the Tour will get to pick the majority of the board.

The WSJ Daily Crossword | Edited by Mike Shenk



#### TOTAL DEFEAT | By Guilherme Gilioli 33 Causing

35 Quaint

36 Drug for

lodgings

tripping

38 Say further

39 Chance for a

response

hit

41 Back rub

42 "Treasure

Island"

initials

43 Strict time

limit

47 Lawman

Wyatt

48 K-pop group

that visited

the White

49 Phone user, at

53 It's quite the

challenge

House in 2022

author's

1 Limo riders, often

5 Applicant's goal 8 Displayed

restless anxiety

13 Beige

speech

14 Mountain lion

15 Make a

16 Bridle strap 17 Puddle maker

18 "Paradise

Lost" villain

19 Prank that rings a bell

22 Really enjoying an activity

23 A-to-zed reference: Abbr.

24 Grazing group 27 Time to go

casual

30 Co. with brown vans

56 Failed miserably, in slang

goose bumps 34 Vaccine target 59 Popular tablet

60 Carried

61 Latvia and Lithuania. once: Abbr. 62 Canadian gas

58 From square

7 Like some

onyx

8 Sentry's

station

9 Weaver of

Greek myth

10 Bishop's base

Greek letter

11 Seventh

12 Bear's lair

20 Compass

14 Soy is a good

source of it

reading: Abbr.

station name 63 Isn't free

64 Hamilton's

65 Low grades, and the initials of the long Across answers

Down

1 Opera composer Giuseppe

2 Strand at a chalet, say 3 Word after

foot or finger 4 Helios, Sol

and Ra

5 Argentina's 6 "Jeepers!"

**Previous Puzzle's Solution** 

The contest answer is **PENNY**. The first letters ("heads") of the three words in each of the five longest Across answers spell a word that's the first half of a common "blank & blank" phrase whose other half is an Across answer (MOM & POP, CUT & PASTE, HIT & RUN, CAP & GOWN, ONE & ONLY). The last letters ("tails") of those second words spell

#### Djokovic Wins 23rd Major Title

By Joshua Robinson

Most of Novak Djokovic's opponents on a tennis court never see an opening to beat him. But a select few, usually ranked among the top 10 players in the world, carve out a chance. They briefly muscle Djokovic onto the ropes and test his 36-year-old legs. Some

even take a set or two. And vet nearly none of them ever finish the job. On Sunday, world No. 4 Casper Ruud became the latest to see that glimmer of possibility shine for a moment, only for the most tenacious player in men's tennis to extinguish it. Despite a slow start, Djokovic disposed of Ruud 7-6(1), 6-3, 7-5, to win his third French Open and make a piece of tennis history that few ever imagined.

Novak Djokovic is now a 23-time Grand Slam tournament champion and in sole possession of the men's alltime record.

"Throughout my whole career, this was always the hardest tournament for me to win," Djokovic said in French.

For the first time in his nearly 20 years as a professional, he is also ahead of both of his great rivals. Rafael Nadal, who missed Roland-Garros with injury and hopes to retire after one more season on tour, is stuck on 22 majors. Roger Federer, who hung up his racket last year, quit at 20.

But Djokovic always kept them in his sights. A decade ago, he was still miles behind them in the overall chase. At the start of 2013, Federer sat on 17 titles and Nadal had plowed his way to 11. Diokovic was still seeking his sixth. As it turned out, he was just clicking into gear.

A spurt of six majors in three years pulled Diokovic into the conversation in the mid-2010s, and his relentless consistency kept him there. Then, as his two great rivals began to fade and yet another generation of contenders failed to materialize, Djokovic claimed the stage for himself. He has now won six of the



Novak Diokovic beat Casper Ruud in the French Open final.

past eight Grand Slam tournaments he's entered and is showing no signs of slowing down.

Before Sunday's final, Djokovic was already answering the first questions of the season about a calendar sweep of the four majors.

"A calendar Slam is really far," said Djokovic, who joined Margaret Court, Steffi Graf, and Serena Williams in the club of people to win each major at least three times. "But maybe it won't be that far if I win on Sunday."

The closest Djokovic has come to being the first man to complete a Grand Slam since Rod Laver was 2021.

That season, he took the first three majors before falling to Daniil Medvedev in the U.S. Open final. But the possibility has remained on his mind, especially now that there are no Covid-19 travel restrictions to limit the unvaccinated Djokovic's participa-

Djokovic understands that every time he takes the court now, he is playing for history. He isn't shy about saying that racking up as many majors as possible is his primary target. When he drew level with Nadal on 22 at the Australian Open in January, Djokovic was so overcome with emotion that he clambered up to his coaches' box at Rod Laver Arena and lay on the floor

Ruud's opportunity to prevent a similar result lasted

about a set. The 24-year-old from Norway has appeared on the cusp of a career breakthrough for a while now, reaching three of the past five major-tournament finals. But the problem he discovered is the one that dozens of other opponents have experienced for years: Djokovic simply has too many different ways to beat you.

Though Ruud led 3-0 and 5-4 in the first set, he still found himself in a tiebreaker. This was terrible news for

Djokovic was not only undefeated in tiebreakers at the French Open this year, he hadn't even committed a single unforced error over 47 tiebreaker points before the final. And on Sunday, he was unflappable.

Djokovic gathered himself to win the tiebreaker 7-1 and take the first set in 1 hour and 21 minutes.

The second set that lasted just 52 minutes and a third that was barely any longer. Diokovic had briefly shown the window to trouble him and then slammed that window shut

Ruud isn't alone in experiencing that frustration firsthand. There's a long list of people who know the feeling precisely: they are the losers of 22 other Grand Slam finals.

"Another day, another record for you," Ruud said to Djokovic on the court. "Another day you rewrite tennis history again."

32 "Sorta" ▶ Solve this puzzle online and discuss it at WSJ.com/Puzzles.

#### **OPINION**

from ielts2.com

#### That's Smoke, Not Climate Change



By Mary Anastasia O'Grady

Wednesday the sky began darken, orange haze scended

Manhattan. I watched amazement from my Midtown office as

Mother Nature dimmed the lights and quietly reminded Gotham City of her awesome

What made New Yorkers feel as if they were on Mars was smoke from forest fires that wafted south from the Canadian province of Quebec and hung around amid a stalled weather pattern. Peo-

#### Canada's forest fires provide fresh fuel for a familiar simplistic political narrative.

ple in New York tend to be outside more than most Americans because their commutes involve traveling on foot rather than going from door to door in a car. Residents were told to avoid exposure to the bad air. The Yankees postponed their game with the White Sox. Exceedingly low visibility forced La-Guardia Airport to ground planes for a time. By evening the worst had passed, though the smell of something burning lingered.

If only the effects on public policy were equally fleeting. Evaluating the causes of this complex event calls for cantly across the country.

the latest jobs

numbers?

Employment



Manhattan on Wednesday.

humility, curiosity thoughtfulness. But politicians are in charge. Senate Majority Leader Chuck Schumer jumped in front of a camera on Wednesday to proclaim that "we cannot ignore that climate change continues to make these disasters worse.' President Biden called the Canada burn "another stark reminder of the impacts of Canadian climate change." Minister Justin Trudeau joined the chorus.

Their claims are bunk. A 2020 study, "Trends in Canadian Forest Fires, 1959-2019," found that "there was a sharp increase in destruction caused by forest fires" in the first half of that 60-year period, "and a general decline in the second half." The study, published by the Vancouver-based Fraser Institute, reported that "the all-time peak of fire activity in 1989 involved some 7.6 million hectares burned, while the most recent national data show only 1.8 million hectares burned in 2019." Fire activity varied signifi-

Whereas Alberta had its second-highest fire loss in 2019 (1981 was its worst), in the prairie provinces "peak fire activity occurred several decades ago." In the east, levels of forest fire activity were "steady."

Robert Murphy, the author of the study, said his objective was "merely to document" what had happened with fire during that time. As to possiexplanations, he mentioned "temperature and rainfall, but also local fire suppression policies, humanforest interactions, and agricultural practices." He warned against trying to oversimplify the matter. "Any simple cause," he observed, "would not have such disparate impacts across provinces and

Two years later, Quebec's boreal forests are ablaze. New York is eating the smokemostly due to a fluke weather system-and the anti-fossilfuel crowd isn't about to let a crisis go to waste.

Drought conditions make matters worse when there's a fire. But the blazes themselves are often caused by lightning. Fire is part of the natural life cycle of a forest; it's what spurs those pine cones, carrying seeds, to open up. Some extreme environmentalists think forests should remain out of bounds to all humans. But as Natural Resources Canada points out, "There is no such thing as untouched forest in Canada"-or one that's unchanging. "In the forest, nothing is ever static. This is particularly true in the boreal forest, which is ecologically adapted to renew itself through disturbances such as

Changes in climate may be a contributing factor to the latest fire outbreak in Quebec. But there are other circumstances that invite trouble, and some of them are the result of policies that increasingly cordon off forests from people. What is intended to protect trees can lay the for-

est floor for disaster. Most Canadian forest land is owned by the crown. It leases some of that land to forestry companies. They practice sustainable management, by doing such things as keeping the ground clean and seeding and planting saplings after a harvest. They do this as part of their contract with the government and because it's in their own interest to be good stewards.

Yet according to Seth Kursman, an executive for the Montreal-based Resolute Forest Products, "As public policy has gotten more restrictive and more land has been set aside for preservation, there is less harvesting of mature trees and less cleaning of the forest floor. Trees in unmanaged boreal forests usually die of disease, insect infestations or fire. When lightning strikes where there is a lot of dry tin-

der, the fire is worse." It may be counterintuitive, but greater use of Canadian woodlands by forestry companies could reduce the risk of catastrophe. "About two tenths of 1% of the boreal forest is harvested annually, while more than 25 times that amount of forest is impacted by fire, insects and disease," Mr. Kursman said in a telephone interview last week. Those are trees that need humans.

Write to O'Grady@wsj.com.

estate time bomb and pending

corporate-earnings blowups.

Feel free to add Ukraine, Taiwan and Biden-Trump part

Or are we in "a spring of

hope"? It sure feels as if infla-

tion and rate increases are

closer to the end than to the

**BOOKSHELF** | By Dominic Green

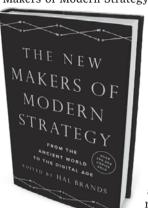
#### How to Wage War And Keep Peace

The New Makers of Modern Strategy

**Edited by Hal Brands** (Princeton, 1,200 pages, \$45)

group of generals is called a "glitter"; a group of historians an "argumentation." There is no colorful group noun for academic analysts of strategy. Perhaps, like owls, they form a "college." In "The New Makers of Modern Strategy," Hal Brands, a professor of strategy at the Johns Hopkins University's School of Advanced International Studies, gathers a college of 45 such experts. All are wise after the facts of their field, and each attempts the historian's equivalent of the owl's neck rotation—a sweep that, taking in past and present,

Strategists must prepare for the next war. "The New Makers of Modern Strategy" is the third collection to



looks to the future.

bear this title. The first was published in 1943, when applied strategy was a matter of life and death and the future of democratic states uncertain. "If strategic studies was a child of hot war," Mr. Brands writes, "it matured during the Cold War." The second "Makers of Modern Strategy," published in 1986, absorbed the "nuclear revolution," redefined the "relationship between force and diplomacy," emphasized resources and the long haul,

and examined the challenges of

the Cold War's hotter regions, such as irregular warfare and counterinsurgency.

This third edition, "The New Makers of Modern Strategy," returns to those topics, and adds AI, drones, cyberwarfare and other developments altering the familiar patterns of conflict. America's post-Cold War "holiday" from history is over, Mr. Brands writes, and great-power political competition is back. China is challenging the U.S. for hegemony, and other "revisionist actors" such as Russia and Iran seek to alter the international order. Strategies of "hybrid" warfare, which mixes civilian and military methods, expand the "gray zone" between peace and war. This collection is a handbook for a crowded, unstable world in which America's leaders need "strategic discipline and insight."

Lawrence Freedman opens the first section, "Foundations and Founders," with a lucid definition of terms. Next, Walter Russell Mead examines the legacies of Thucydides and Polybius: "They integrated strategy, the art of winning wars, and statecraft, the art of building and leading states." Toshi Yoshihara then pivots to Asia, with an essay on Sun Tzu's "Art of War." Sun Tzu, he writes, cannot be identified as "a historical figure in a specific time and setting,' and "The Art of War" was "not written by one author in a single act." Sun Tzu is the Homer of Chinese strategy. Mr. Yoshihara surveys Chinese civilization and explains its military ethos, suggesting an underlying universal logic. Even so, it seems impossible to translate Sun Tzu's elusive elixir of shi (described with kinetic

Machiavelli, the founder of modern political thought, also wrote an "Art of War." Matthew Koenig asks whether Machiavelli fits best into a "Western tradition" that seeks

#### beginning. The U.S. is a relabian airline Avianca, the tive haven of stability complaintiff attorney admitted to pared with the rest of the metaphors about water, diving hawks and rolling boulders) into the American anthropology of "strategic culture." using ChatGPT to supplement As opposed to eggs. This world. White-collar lavoffs and blue-collar labor short-

ages are starting to peter out.

Banking has stabilized, and a

radical restructuring of work

is happening right before our

eyes and could trigger a pro-

will fail. But the ones that

succeed will be cookie-cutter

copied quickly. That's what

ductivity revolution. New experiments are taking place in work-from-home, generative AI, and educational methods. Industries such as real estate will soon have new tools like Apple's (rather awkward) Vision Pro ski goggles. Many of these innovations

drives economic cycles. So which way will we tip? The stock market is right where it was 26 months ago. The St. Louis Fed Financial Stress Index and the Vix volatility index serve as warning signals, and both are near lows, meaning expectations are for stability, for now. That's why a drop or upturn may be massive, given that no one is expecting either. I wouldn't be surprised if we get both before the 2024

election. Write to kessler@wsj.com.

#### America's leaders face a crowded, unstable and increasingly complex world. Forty-five experts offer strategic discipline and insight.

to use "overwhelming force on the enemy's center of gravity in a decisive battle of annihilation," or into the "Eastern tradition" epitomized by Sun Tzu, which "prioritizes deception and winning without fighting." Mr. Koenig concludes that Machiavelli's amoral realism "may lean East."

But the Western tradition includes such deceivers as Odysseus' Trojan Horse and Joshua's Hebrew spies. It also includes Machiavelli's "full-throated defense of democracy" in "Discourses on Livy"—a proposal to revive the Roman republic's strategic culture in the modern state. That statebuilding meant harnessing military means to political ends: If this integration seems obvious to us, that is because modern Western strategy rediscovered the Roman way through the trials of war, and also its errors.

Samuel Huntington, summarizing the ideas of Clausewitz, once wrote that war aspires to be an "autonomous science" but functions as a "subordinate science." Strategy is too important to be left to soldiers. It is also too complex to be left to politicians. Mr. Brands's second and third sections examine the professionalization of the military in the age of early modern state-building, the integration of economic and political strategies, and the testing of these full-spectrum theories after 1914.

Veteran armchair strategists will know Napoleon Bonaparte, Alfred Thayer Mahan and J.F.C. Fuller, but they may be caught off-balance by Priya Satia writing about Gandhi's "consummately coercive" passive aggression and S.C.M. Paine on Mao Zedong's strategy of "nested war." Ms. Paine's account of how Mao fought three wars at once—nesting a Chinese civil war within a war with Japan, and the war with Japan within World War II—suggests parallels to the emerging Western understanding of strategy as multilevel and multidimensional. It also shows that Mao, like Eisenhower. was a largely unsung genius of grand strategy.

Like its predecessors, this collection has a purpose that is particularly Western and liberal: deploying "academic knowledge" toward a goal of "educating democratic publics" in the defense of "interests and values." But the scholarship on strategy has become internationalized, and Mr. Brands broadens his sights beyond the familiar theorists and practitioners—and beyond the battlefield.

The fourth section of "Makers of Modern Strategy," on the bipolar stability of the Cold War years, offers some relief from this gathering complexity. The apocalyptic wonkery of the nuclear dilemma that dominated the higher levels of strategic thinking in the 20th century imposed a ceiling on second-tier actors such as Nehru, Ben Gurion and Nasser. Then, after 1990, we arrive in our unraveling present. Seth G. Jones's comparison of Oassem Soleimani's jang-e narm (soft war) with the Russian school of "hybrid war" and China's "three warfares" (media, psychological, legal) shows how the ways of war keep changing.

Hegel's wise owl took flight at dusk. The paradoxes of Sun Tzu and Machiavelli return at the dawn of a different age.

Mr. Green is a Journal contributor and a fellow of the Royal Historical Society.

#### A Tale of Two Economies



VIEW By Andy Kessler

increased 339,000 May, according to the Bureau of Labor Statistics. Woo-hoo! But the same report showed that the number

of unemployed persons increased by 440,000. Weird. Tech layoffs are continuing, but so are shortages of cashiers and cooks. Also, last week saw the largest money inflow into technology equity funds ever. The S&P 500 is up 12% for the year, but it's down if you exclude seven top tech names. We're living in a Dickensian tale of two economies-the best and worst of times.

The market is going sideways. We're at one of those precarious Yogiesque forks in the road for the economy and market. We tread water, walk a tightrope. It's both an "age of wisdom" and an "age of foolishness." What will tip things up or down?

Here's some nasty stuff: Now that the debt-ceiling arm-wrestling contest is over, Treasury needs to raise more than \$1 trillion in auctions over the next few months. That is some overhang. Who is going to buy all that debt? Not the Federal Reserve, which is in quantitative-tightening mode. And remember, U.S. banks are \$2.2 trillion

Did you see underwater in their bond portfolios. As deposits move to higher-vielding moneymarket funds, banks are selling bonds as well. Plus, their commercial real-estate loans are a mess. Defaults are the highest they have been since the 2008-09 financial crisis as city office occupancy rates hover around 50%. No shortages there.

spring's egg shortage caused prices to jump 60% year over year. Now guess what's in short supply? Baby chicks. Note the eggs came first. Shortages began during the For anyone working pandemic and kept rolling: dumbbells, toilet paper, baby formula, many generic drugs, lithium, nickel and now GPUs, graphic processors used for graphics, crypto and artificialintelligence platforms like ChatGPT.

Nvidia stock popped 25% in May, reaching a \$1 trillion market cap based on decent earnings and a shortage of their GPUs. That's \$200 billion in value created in a finger snap. AI is hot. It's the next upside. Any company that so much as whispers "AI" has seen its stock skyrocket.

But beware—AI companies are the new meme stocks. The cart is way ahead of the horse. Nvidia is valued at 35 times annualized sales and 123 times earnings. There's reason for caution. First, an influx of venture-capitalbacked AI company buyers of GPUs and a shortage of these chips has given Nyidia pricing

power. Wait, I know where there are plenty of spare GPUs. Venture folks should politely call all the failed crypto startups they invested in last cycle and beg those companies to ship their hoard of GPUs to AI companies.

Also, AI still needs work, In a federal suit against Colomhis research. Judge P. Kevin Castel noted that "six of the submitted cases appear to be

on AI, it's the best of times, but for others, it's the worst of times.

bogus judicial decisions with bogus quotes and bogus internal citations." The lawyer later asked ChatGPT if a case labeled bogus by the judge was legit, and ChatGPT responded that it was real. It wasn't. This is not ready for prime time.

After six months, ChatGPT has 100 million users. Incredible. Sales folks everywhere are using AI to craft email pitches. I read one to an oil company in Texas that began, "Does vour team have work struggles that's as bad as the

spair"? High interest rates, debt overhang, money-supply overhang, the commercial real

oil spill in the Gulf?" Oof. Are we in "a winter of de-

#### SPLC Puts Moms on Its 'Hate Map' public-education system is on bureau cited the SPLC's desig-

By Tiffany Justice And Tina Descovich

e started Moms for Liberty in 2021 because we served as school board members and we saw parental rights were under attack. Kids were locked out of schools and later subjected to mask and vaccine mandates. For every vocal parent it seems there were a hundred who would say: "Thanks for fighting. I'd lose my job if I spoke up, but I am so glad you are."

Last week the Southern Poverty Law Center put us on a "Hate Map" alongside neo-Nazis and Ku Klux Klan chapters. The SPLC labels us an "extremist group" that is "antigovernment." Because we have fought name-calling and attempts to marginalize us for so long, this wasn't alarming to us. But every parent should

pay attention to this smear and what it means for paren-

If it is now "hate" or "extreme" or "antigovernment" to ask questions of public education officials, what does that say about parents' ability to be involved in their children's education? The SPLC and its donors want the parental-rights movement to end. They find it threatening that parents have become vocal and involved in the education system since the pandemic, and they want us to sit

down and shut up. Defenders of the educational status quo are right to feel threatened. A survey conducted last month for Moms for Liberty by Jim McLaughlin proves that point. Mr. McLaughlin's national poll of 1,000 likely voters found that more than

two-thirds think the K-12

the wrong track. Two-thirds favor removing age-inappropriate sexually explicit material from K-12 classroom. Maybe most important, the poll found that 70% of Ameri-

The outfit likens us to the KKK for asking questions about what our kids are taught.

cans think parents, not government, should have the ultimate say over what is being taught to their children at

Being targeted by the SPLC can do real harm. Remember the memo that showed the Federal Bureau of Investigation was attempting to infiltrate Catholic churches? The Moms for Liberty.

nation of Catholic "hate groups" to justify its targeting of these churches. (The FBI disavowed the memo after a whistleblower exposed it in February.) Will Moms for Liberty be targeted the same wav?

If you're an American parent, you should be paying attention. The SPLC map could lead to a government crackdown on vou-vour ability to question school officials, testify at school board meetings, or be involved in what curriculum your child is being taught.

Despite this targeting, we will joyfully keep fighting. And we will win because no one fights harder than parents fighting for their children.

Ms. Justice and Ms. Descovich are co-founders of

#### REVIEW & OUTLOOK

#### High Stakes in Ukraine's Offensive

A strategic aim will be

dividing Russian forces

by advancing to the sea.

kraine's counter-offensive has begun against Russian forces in the country's occupied east and south, and the stakes

are extremely high for Kyiv and the West. Let's hope the reluctance by the Biden Administration, Germany and France to provide more advanced weapons doesn't hamper the effort.

Ukrainian forces have been probing Russian lines, using armored U.S. Bradley Fighting Vehicles and German Leopard 2 tanks. The Russians have built formidable, multi-layered defenses with rows of trenches, concrete barriers and still more trenches with well-armed infantry. The flat and relatively open terrain across much of the front line makes the advancing brigades vulnerable to artillery and aerial assaults, so casualties will likely be high.

This is where the U.S. Army Tactical Missile System (ATACMS) with a range of up to 190 miles would be valuable in targeting Russian artillery and supplies beyond the front lines. But Washington has refused Kyiv's request out of fear that Ukraine might use the missiles against targets inside Russia. Ukraine has refrained from doing so with other U.S. weapons, but this excuse has been the Biden pattern for the 16 months of the war.

The Ukrainian goal will be to retake as much territory as possible, and its forces could attack in many places across a 600-mile front. A particular strategic objective will be to drive to the Sea of Azov. This would break up Russian supply lines to its troops in the south. It will also disrupt Russia's so-called land bridge connecting Russian-occupied Donetsk to the Crimean peninsula. It's no surprise that Russian defenses are especially fortified in Zaporizhzhia Oblast against such an advance. No one should expect immediate or dramatic breakthroughs, as they could take many weeks or longer.

Crimea is also likely to be a Ukrainian target, even if it can't be entirely retaken. Russia annexed Crimea in 2014, and Ukrainian President Volodymyr Zelensky says he wants to reclaim it. But even putting Crimea at risk will force

Russia to spread its forces to defend its air and naval bases on the peninsula. This would also raise the political stakes for Russian President

Vladimir Putin.

Russia retains the military advantage in number of troops and firepower. It can also still do considerable damage from the skies, even if it doesn't have total air superi-

ority. Experienced Chechen forces loyal to Russia are said to be moving to the front lines, replacing troops from the mercenary Wagner Group that have been taking heavy losses.

But the Wagner Group and Russian leaders are increasingly at odds. Russian army troops also suffer from low morale and poor training, especially compared to Ukrainian forces. Thanks in part to training by the U.S. that began in 2014, Ukraine's military has evolved into a more Western force that can employ a "combined arms" strategy that uses all of the elements of modern warfare. Russia remains a slower adapting top-down force, as it demonstrated during the failure of its initial assault

Ukraine's greatest advantage has been the willingness of its people to fight and die for their homeland. Russians have been conscripted to fight a war of occupation for reasons they don't fully understand. Ukrainians are fighting for independence.

The stakes for Europe and the U.S. are great. A Ukraine advance that recaptures much of its land would vindicate Western military and financial support. It would weaken Russia and draw Ukraine closer to the West. Russia without Ukraine as a Belarus-like satrapy is a much weaker threat to NATO, which has already expanded. Europeans have awakened to the need to rearm after decades of neglect.

A Ukrainian failure to advance would encourage the isolationists on the U.S. right and left to block more support. The next phase of the war will be difficult, and maybe long, but backing Ukraine is in America's national interest. It would help if President Biden explained the stakes to the American people.

#### The FDA Commissioner Gets Political

Robert Califf's job

is safety and efficacy,

not drug prices.

he Food and Drug Administration works best when it stays out of the political

hasn't learned that lesson. Last week he joined the partisans piling on drug makers for charging allegedly excessive

"I think the prices of drugs are too high in the U.S," Dr. Ca-

liff said during an interview last week at a conference hosted by the Biotechnology Innovation Organization. Although the FDA's job is to regulate drug safety and efficacy, not prices, he said "we're also part of the HHS family," which is charged with implementing the Inflation Reduction Act's sham drug price negotiations.

The FDA is also working with the Centers for Medicare and Medicaid Services on a new policy to reduce Medicare payments for medicines that win accelerated approval. "That sounds common sense to me," the commissioner said. Common sense would also suggest this policy will limit access to new drugs and the benefits of accelerated approvals.

Dr. Califf also drew a dubious link between

the fact that the U.S. has higher drug prices and lower life expectancy than some other wealthy fray, but Commissioner Robert Califf countries. "We're in last place in high-income

countries in life expectancy and losing ground," he said. "So how can it be that we're creating all this stuff that the rest of the world uses, and they're doing so much better than we are?"

He ought to know that lower U.S. life expectancy owes to many factors, including differences in demographics, lifestyle and obesity. The cancer mortality rate is significantly lower in the U.S. than in other wealthy countries such as Germany, France and the United Kingdom that control drug prices or are slow to approve new treatments. People in those countries have far less access to novel therapies.

Dr. Callif may be trying to deflect criticism from the left that the agency approves drugs that are costly, but his comments will surely feed suspicion that prices are influencing the FDA's approval decisions. Trust in public-health agencies declined during the pandemic, and Dr. Califf isn't helping to restore it.

#### Virginia Tech's Bias Response Team

A Fourth Circuit dissent

is a signal flare for the

Supreme Court.

he advertising catchphrase "see something, say something" calls to mind suspicious packages that might be bombs.

At Virginia Tech, that slogan applies to the school's official Bias Intervention and Response Team, or BIRT, Hokies are encouraged to report one another's ill-considered opinions or crass jokes. On May 31

the Fourth Circuit Court of Appeals declined to end this, but a dissent by veteran Judge J. Harvie Wilkinson III is a persuasive signal flare for the Supreme Court to take the case and defend free speech.

Reports can be filed anonymously, and even if the remark at issue is determined to be covered by the First Amendment, the BIRT can invite the student and complainer to a "voluntary" conversation at the dean's office. A group called Speech First sued, arguing that the school's policies effectively chill protected expression. But in a 2-1 ruling, the Fourth Circuit panel declined to grant an injunction.

Judge Diana Gribbon Motz, an appointee of President Clinton, writes for the majority that the BIRT itself lacks power to punish students, and if students ignore the invite to the dean's office, nothing happens. "We cannot accept Speech First's argument that the BIRT process is so burdensome that an objectively reasonable student would self-censor to avoid encountering it," she says. Speech First "has not shown that the Bias Policy credibly threatens injury to the organization's members."

The dissent by Judge Wilkinson exposes the danger to free speech on campus that Judge Motz ignores. He envisions a 19-year-old student thinking through whether to join a class debate. "She remembers hearing about the University's Bias Intervention and Response Team," the veteran judge writes. She can't remember how "bias" is defined, but she "knows that biased speech can be reported anonymously online," and she "vaguely remembers that those reported for bias will be invited to a meeting with the Dean of Students or referred

to another University office." Sounds like it would be smarter to shut up, no?

Judge Wilkinson says the BIRT includes representatives from the office of student conduct and also, amaz-

ingly, the Virginia Tech Police Department. "Bias incidents" can occur off campus or even on social media.

They're defined as—take a deep breath—"expressions against a person or group because of the person's or group's age, color, disability, gender (including pregnancy), gender identity, gender expression, genetic information, national origin, political affiliation, race, religion, sexual orientation, veteran status, or any other basis protected by law." This definition is so loose, Judge Wilkinson says, that "almost anything could be framed as a bias incident."

He cites a few specific examples from the court record, and they're unbelievable. One was "a report that a student told a joke that included 'Caitlyn Jenner's deadname' during a classroom lecture." Another was "a report that a student in a University residence hall overheard several male students privately 'talking crap about the women who were "playing" in a snowball fight,' calling them not 'athletic."

Judge Wilkinson adds: "The cure for distasteful speech is tasteful dialogue, not the conversion of an illustrious campus into a First Amendment dead zone."

The constitutional question deserves to be heard by the Supreme Court on the free speech merits; other circuits have taken the view that Judge Wilkinson does in dissent. Virginia Tech needs a legal intervention that sets an example for campus censors nationwide, and the majority on the Fourth Circuit panel needs a First Amendment tutorial from the Justices.

#### LETTERS TO THE EDITOR

#### Toyota's Dissent and the All-Electric Fantasy

I recently left the auto industry after 24 years, mostly because it is becoming socialized. My experience tells me that if Toyota sticks to its guns in meeting market demand and resists the EV absolutism being forced on it by government policies and asset managers ("Targeting Toyota for Its EV Heresy," Review & Outlook. June 5), it will be one of the few auto companies which won't need a government bailout in a few years. Many of its competitors, including Ford, GM and Stellantis-owned Chrysler, have capitulated to unviable policies pushed by California and Washington, which dictate their product portfolios and make them dependent on government subsidies. KARL MILLER

White Plains, N.Y.

As a recent purchaser of a Toyota RAV4 Prime—an SUV hybrid with an all-electric option—I found your editorial to be spot on. After an exhaustive search for a suitable all-electric replacement for my gas-guzzling pickup, I concluded that buying an all-electric vehicle meant buying a

case of "range anxiety." No all-electric SUV exists that would have allowed me to make a trip of several hundred miles without worrying about where the next charging station might be, and, assuming I could find one, how many hours it would take to recharge the battery.

Toyota's RAV4 Prime option provided the perfect solution—use the plug-in, all-electric when driving around town, but switch to the hybrid motor when going on a 400-mile road trip. When I drive in hybrid mode, I get 40-plus miles to the gallon and a 400-plus range, even with the air conditioning cranked up.

I gave up the hefty tax credit I might have gotten when buying an all-electric domestic vehicle. But I would trade that any day to avoid the unpleasant experience of getting towed to the nearest charging station because my vehicle ran out of juice with no station in sight. Chairman Akio Toyoda has it right. He should be applauded for recognizing the fantasy of an all-electric world.

JASON SHAW Rockport, Mass.

#### The Most Clipped and Mailed Article in History

I laughed out loud as I read "You'll Want to Cut This One Out" (Page One, June 1), as I had mailed four envelopes containing personalized clippings to friends and family the day before. Sure, my daughter could Google "How to Clean Your Smartwatch," but isn't it more fun to get an envelope from Mom in the mail with that information? I send articles I find humorous, informative or affirming, tailored to the individual and usually saved until I have enough for a "clip drop." I hope they read what I've sent, but if not, at least they know that I'm thinking about them. I suppose I come by it naturally; I receive clippings from my 91-year-old mother.

LAURIE CAIN HAENSZEL Columbus, Ohio

I have been clipping and sending articles for decades to friends and family, including my adult daughter. Many years ago, she called and asked about a check she was expect-

ing. I said, "I enclosed the check in the envelope with the clippings." After a long pause, she said, "Oh, would you send me a replacement?" It was then that I knew that she was sending the envelopes, unopened, to the recycling bin. Now, she reads the clipped articles and comments on them. Life is good.

> HENRY SLESINGER New York

I would wager that this article will be the most clipped and mailed article in history. Already done here. PETER A. TIMIAN

Newtown, Pa.

I have mailed newspaper and magazine clippings to friends and clients my entire adult life. It is an easy, personal way to let folks I care about know they are on my mind. I always use a commemorative stamp, which dresses up the envelope.

JACK ALLDAY

#### U.S. Resisted the Spread of Nuclear Weapons

In "IAEA for AI? That Model Has Already Failed" (op-ed, June 2), Mike Watson writes, "With the dubious exception of Iraq, the U.S. has decided that nuclear proliferation is preferable to war." The history of U.S. nonproliferation efforts is far more complex than that.

First, he's wrong about the "dubious exception." Via the insertion of international inspectors, the 1991 Persian Gulf War eliminated Baghdad's

#### Connecticut Could Use Some More Republicans in Office

Connecticut Gov. Ned Lamont deserves credit for pushing to cut the state income tax for the first time in three decades ("Connecticut May Cut Taxes, of All Things," Review & Outlook, June 5). Connecticut Republicans, however, have driven the discussion in Hartford toward tax cuts and fiscal responsibility. Last month, the Senate Republican caucus offered the largest tax cut in Connecticut's history, larger than what the governor proposed and much larger than what was supported by the Democratic majority. We pushed for broadbased, meaningful tax relief—a saving of \$1,090 a household—that is neither targeted nor temporary.

Connecticut Republicans also pushed back on Democratic attempts to effectively dismantle the bipartisan spending caps and budgetary guardrails that have helped create our surplus and reduce long-term state debt. Those fiscal guardrails ain't broke, and they don't need fixing. Now, imagine if Connecticut, the Constitution state, elected more Republicans. Ryan Fazio

Greenwich, Conn. Mr. Fazio, a Republican, represents Connecticut's 36th Senate district.

Would Biden Get Up Quickly?

Your editorial "Biden's Trip and

Fall: 'I Got Sandbagged'" (June 3)

poses the question: "Would he get

a physical therapist, I can assure

up so quickly if he fell in 2025?" As

you that Mr. Biden was lifted up by

two helpers. He certainly didn't get

to get up at all on his own prior to

being lifted.

be acknowledged.

up quickly, and he looked to struggle

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number. All letters are subject to editing, and unpublished letters cannot

KENT HOLDEN

Mount Pleasant, S.C.

secret nuclear-weapons enrichment program. Second, Washington played the key role in fashioning the Nuclear Nonproliferation Treaty. Its security guarantees, applied to West Germany, South Korea and Japan, stemmed the acquisition of the bomb by these nuclear-tempted countries. It also coaxed Argentina and Brazil to re-

think their proliferation ruminations.

Granted, sanctions failed to halt proliferation in South Asia. Still, Washington's repeated mediation in Indo-Pakistani crises prevented nuclear war on the subcontinent. Unfortunately, President Donald Trump's termination of the Iran nuclear deal opened the door wider for Tehran's nuclear acquisition, but his reversal from "fire and fury" to a summit with Kim Jong Un was a good college try to wean Mr. Kim from the bomb. U.S. pressure on Ukraine to give up the Soviet nuclear arsenal in exchange for hollow safeguards is open to criticism, but, all in all, Washington's nonproliferation efforts have done much to keep the nuclear peace.

BENNETT RAMBERG Los Angeles

Mr. Ramberg was a foreign-affairs officer in the State Department's Bureau of Politico-Military Affairs.

#### Sierra Club vs. Safe Forests

California Insurance Commissioner Ricardo Lara believes climate change to be a driver of catastrophes in California (Letters, June 7). Wrong. The greatest threat to our forests has been the environmentalists, led by the Sierra Club. Their decadeslong fight to stop the removal of dead trees in our forests has created the fuel that has caused our catastrophic fires.

GEORGE GANANIAN San Francisco

THE WALL STREET JOURNAL



"Are we angry tonight or merely miffed?"

#### Pepper ... **And Salt**

#### A Strong Indictment—but Is It Strong Enough?

By Alan M. Dershowitz

pecial counsel Jack Smith is both confident in his case against Donald Trump and sensitive to political considerations-though those considerations are subtler than the kind of partisan advantage that Manhattan District Attorney Alvin Bragg is after.

That's why Mr. Smith brought the charges in Florida. He thinks the case is strong enough that a jury will convict Mr. Trump even in a jurisdiction of diverse party affiliations. His confidence may also explain why he alleged that Mr. Trump willfully rather than negligently mishandled classified

The evidence is powerful, but the jurors aren't the only ones who will need convincing.

material. He might also have wanted to distinguish Mr. Trump's case from those of Hillary Clinton, Joe Biden and Mike Pence, none of which allegedly involved willfulness.

What should have begun as a routine civil investigation under the Presidential Records Act has ended up with a multicount criminal indictment, the first federal prosecution ever of a former president or a leading candidate for the presidency. This is partially because prosecutors targeted Mr. Trump and partially because of the unwise way he responded.

Mr. Bragg campaigned for his office on a promise to hold Mr. Trump accountable and delivered when he persuaded a grand jury to hand up a weak indictment. Mr. Smith was appointed specifically to investigate Mr. Trump, and he did his job well. The problem inheres in the office of special counsel, which by its nature selects its target and looks for evidence against him.

Mr. Smith had a lot of help from Mr. Trump. Had the former president cooperated with investigators and immediately returned all the classified material in his possession, as Messrs. Biden and Pence did, charges would have been unlikely. But Mr. Trump did what he always does. He attacked Mr. Smith and resisted his efforts. That provoked investigators to double down, which in turn led Mr. Trump to engage in the allegedly obstructive conduct that forms the basis for several counts in the indictment.

Mr. Smith subpoenaed Mr. Trump's lawyers and persuaded a judge that Mr. Trump had vitiated the attorney-client privilege by instructing them that it would be "better if there are no documents." The defense team will claim that Mr. Trump was entitled to maintain possession of classified material under the Presidential Records Act of 1978, which establishes detailed procedures for handling the records of former presidents and a civil process for resolving disputes about them. It doesn't carry criminal penalties for noncompliance. Remarkably, the indictment never mentions the Presidential Records Act, despite its apparent relevance to any possible prosecution under the



Special counsel Jack Smith.

Espionage Act of 1917.

The indictment quotes tape-recorded conversations that form the basis for several charges under the Espionage Act. The critical recording is of a conversation between Mr. Trump, a writer, a publisher and two Trump staffers, who were discussing a claim that a senior military official had persuaded Mr. Trump not to order an attack on "country A," which in context is surely Iran. Mr. Trump points to some papers he found and tells his guests they prove that military officials supported an attack. "This totally wins my case," he says. "This is secret information. Look, look at this." Mr. Trump then says: "See, as president I could have declassified it. . . . Now I can't, you know, but this is still a secret."

It is possible that Mr. Trump merely

waved the papers in front of his guests and never gave them an opportunity to read them, which is apparently not in evidence because the prosecutors don't have the document. But even those hypothetical facts would be enough to support the charge of willfully possessing classified material in an unauthorized manner.

The reason this recording is so powerful is that it is self-proving. It doesn't rely on testimony by flipped witnesses or antagonists of Mr. Trump. It is the kind of evidence every defense lawyer dreads and every prosecutor dreams about. This is particularly important because an appellate court could find legal error in the ruling that Mr. Trump had vitiated attorney-client confidentiality and reverse convictions based on his lawyers' compelled testimony. A

conviction that rests on a consensually recorded conversation would be harder to challenge.

Mr. Smith has made a stronger case against Mr. Trump than many observers, including me, expected. The question remains: Is it strong enough to justify an indictment of the leading candidate to challenge the president in next year's election? Even with the recorded statements, this case isn't nearly as strong as the one that led to President Richard Nixon's resignation in 1974. Nixon was almost certainly guilty of destroying evidence, bribing witnesses and other acts of obstruction. Many of the charges in this case are matters of degree. Nor have prosecutors any evidence that Mr. Trump's actions damaged national security more than those of Mr. Biden, Mr. Pence and Mrs. Clinton did.

When an incumbent administration prosecutes the leading candidate against the president, it should have a case that is so compelling that it attracts the kind of bipartisan support that forced Nixon to resign. No such support is currently apparent, since many Republicans continue to be troubled by the targeting of Mr. Trump. Mr. Smith will have to convince not only a Miami jury but the American public, on both sides of the partisan divide.

Mr. Dershowitz is a professor emeritus at Harvard Law School and author of "Get Trump: The Threat to Civil Liberties, Due Process and Our Constitutional Rule of Law." He represented Mr. Trump during his 2020 impeachment trial.

#### How to Prevent Another Financial Crisis

By Kevin Warsh

he American banking system is at a critical juncture. Absent a change in policy, U.S. banks risk a slowdown, stagnation and more explicit government support. That is bad for everyone except America's adversaries.

After the global financial crisis of 2008-09, "too big to fail" was something of a scarlet letter. The recent banking crisis that swept up smaller firms like Silicon Valley Bank and First Republic reveals that "too big to fail" has become a badge of honor. With the unambiguous imprimatur of the federal government, the biggest firms gained low-cost deposits and greater clout. Their funding cost advantages, profitability and resilience have grown relative to the thousands of small and midsize banks with which they once

I don't fault the too-big-to-fail banks for their privileged position. Much of their success was earned and should be applauded. To borrow from Edmund Burke's observations of the French Revolution, bad banking policy isn't only bad for the subjects, it's bad for the victors.

Other economic policies deserve a share of blame for the system's plight. The past decade's regulatory policies have undermined competition and weakened resiliency in the banking business. Massive debt-financed government spending has lowered the industry's growth prospects. And the Federal Reserve's belated and ad hoc measures to inciting inflation risks

broader financial instability.

A few months ago, the banking sector was in turmoil. Liquidity mismanagement and bank runs panicked markets and Washington. The Biden administration orchestrated frantic weekend bailouts and extended the government backstop to guarantee implicitly all bank deposits—not only those under \$250,000. The Fed provided emergency liquidity to calm financial markets and backstop bank assets at par even though they were trading for substantially less.

Financial and market conditions have since acted in accord with the government's wishes: bank stocks trending up, bank lending hanging in there, and volatility trending down. According to Treasury Secretary Janet Yellen and Federal Reserve Chairman Jerome Powell, the tumult is largely resolved, the problems are limited to handful of firms, and the banking business is safe and sound. They expect the U.S. to avoid a recession. Their reassuring refrain, however, may be more ritualistic than revelatory. A proper risk assessment is more useful than confected convictions. When economic policies favor herd behavior, I am less inclined to believe that financial

problems are isolated. The Fed's flawed inflation forecasts in the past couple of years are a lesson in risk management. Policy makers shouldn't bet all their chips on hopes for low prices or anything else. Better to evaluate the likely costs if the forecast turns out to be wrong. The American people aren't alone in paying a high price for high prices. The banking sector is at risk of renewed stress.

The Fed's late and lurching reaction to inflation caused the yield curve to invert to extremes last seen in the late 1970s. Most banks have a significant portion of their balance sheets tied up in low-yielding assets. During the first 20 months of the

Banks that aren't 'too big to fail' need injections of private capital and opportunities to merge.

pandemic, U.S. banks bought nearly \$2 trillion of mortgage-related and Treasury securities when 5-year Treasury yields were below 1%. They are now nearly 4%. That's costly. On the funding side, I estimate that deposit costs, which lag short-term rates, are set to increase by at least 0.5% to 0.75% in coming months, translating into erosion in bank profitability of another \$60 billion to \$80 billion over the next year.

What else could happen? If the problems in commercial real estate presage a repricing of other assets, more banks will struggle to maintain adequate capital and liquidity. If the share prices of small and midsize banks come under renewed pressure, small and medium-size businesses will suffer a credit crunch. If the economy weakens, credit quality will deteriorate. And if inflation remains stubbornly high, the Fed will raise interest rates to 6%. Financial

markets would bristle.

Ms. Yellen and the other policy makers on the Financial Stability Oversight Council should take immediate action to mitigate these risks. They should promote the private recapitalization of small and midsize banks so they survive and thrive. Bank regulators have long looked askance at capital from asset managers and private equity firms, among others. But this is no time for luxury beliefs. Such investments should be promptly pre-approved, so long as they are passive and governance rights circumscribed. Private capital is far superior to government capital because it will more effectively ensure the prudent provision of credit and a more competitive, resilient banking system. It's ready to be put to work and won't expose taxpayers to more losses.

Policy makers should also greenlight consolidation among small, midsize and even larger regional banks. I recognize concerns about market power. But the largest banks have already secured a privileged position with their "too big to fail" status. Hundreds of banks need larger, stronger franchises to compete against them, especially in an uncertain economy. Banks need prompt regulatory approval to be confident that proposed mergers will close. Better to allow bank mergers before weak institutions approach the clutches of the Federal Deposit Insurance Corp.'s reso lution process. Voluntary mergers at market prices are preferable to rushed government auctions that involve large taxpayer losses and destruction of significant franchise

Fifteen years ago, Bear Stearns was the weakest of the investment banks, with low capital levels and questionable risk-management practices. Its near-failure, even after massive Fed support, convulsed the market. It was sold in a shotgun marriage to JPMorgan Chase over a weekend in March 2008. Between the spring and late summer of 2008, stocks recovered smartly and market participants were relieved. It was widely held that the U.S. economy would resume growing and labor markets would remain tight. But the widely held view that Bear Stearns's failure was a one-off turned out to be a costly myth.

By autumn, the banking system broke, the stock market collapsed, and the economy swooned. Fed Chairman Ben Bernanke and Treasury Secretary Henry Paulson were left with no good alternatives. Congress enacted a huge bailout of the largest U.S. financial institutions. The country is still paying the price.

This year's banking tremors may prove inconsequential, but policy makers should treat them as portents. There is no telling how long the financial markets will remain quiescent and credit readily available. Or how long the benign consensus on the economy will last. Difficult periods are to be navigated. not met with wishful thinking or exploited to amass power.

Mr. Warsh, a former member of the Federal Reserve Board, is a distinguished visiting fellow in economics at the Hoover Institution.

#### Biden's High-Speed Car Crash Is Waiting to Happen



By Allysia Finley

abruptly shifted lanes and braked on the San Francisco-Oakland Bay Bridge last Thanksgiving, causing an eightcar pileup that injured nine, including a toddler. The driver claimed to have been using the car's full self-driving function, which

THE WALL STREET JOURNAL.

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A Tesla Model S

appears to have malfunctioned. Complaints of "phantom braking" even when Teslas aren't "self-driving" have been piling up too. Of the 518 complaints filed with

the National Highway Traffic Safety Administration for Tesla's 2022

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Model 3, 438 concern faulty "forward collision avoidance" systems, designed to brake automatically if drivers get too close to pedestrians or vehicles. The NHTSA database likely underestimates such incidents, because many people aren't aware of the complaint-filing process.

Tesla drivers have said their cars pump the brakes when they shouldn't-say, when a plastic bag blows across the road or when traffic approaches in a two-way lane. Tesla didn't respond to a request for comment.

"While driving on the highway at highway speeds, our Tesla Model 3 frequently will perform a phantom braking action, presumably due to incorrectly sensing a collision," one driver complained. "Thankfully, so far the traffic has been light on the freeways. Otherwise, this could've easily caused a wreck. This has happened to us approximately 20 times in the past two days." The NHSTA has been investigating automaticbraking glitches, which have also reportedly occurred in Nissans and

Honda Accords.

Cars rolling off assembly lines today are often described as computers on wheels. Yet typically when computers freeze or crash, people don't die. Automatic-braking technology has the potential to improve road safety, but not before engineers smooth out bugs. Yet the NHTSA is rushing out the technology with reckless abandon.

The agency last month proposed a 288-page rule that would require automakers to outfit new vehicles with automatic emergency braking technology more advanced and reliable than is currently achievable. Talk about a car crash waiting to happen. Why would the agency do this? If your cynical suspicion is that the Biden administration is seeking to pay off its triallawyer allies, you may be on to something.

Automakers in 2016 committed to making automatic emergency braking that works at low speeds—12 to 25 mph-a standard feature in cars by September 2022. But many have struggled to perfect the technology because of the complexity of software systems that rely on radar sensors and cameras trained by machine learning.

Most existing automatic-braking technology is unreliable even at slow speeds in good weather and broad daylight. It hardly works at all in higher speeds and in dimmer light.

Only five of 11 new vehicles that NHTSA tested in 2020 avoided collision with an adult mannequin in at least one of multiple tests at speeds

The NHTSA wants to force new braking technology on automakers before it's safe and reliable.

up to 37.3 mph in daylight. That means less than half of vehicles could brake at least 16% of the time in good conditions. Only one vehicle consistently avoided impact in daylight and lower-beam conditions and only at

low speeds. Nevertheless, the NHTSA wants to mandate automatic braking that can operate at speeds up to 62 mph and avoid hitting pedestrians at night. The effects could prove devastating. Phantom braking on a busy street with cars traveling 30 mph might cause a fender-bender. On a busy highway it could cause a pile-up. The jolt could also result in whiplash and more-serious injury-all of which means more business for plaintiff attorneys.

Plaintiffs have filed class actions against Nissan and Tesla over alleged phantom braking. Under the proposed new rule, attorneys could sue automakers for collisions and injuries caused by glitches and for those that the technology is supposed to but doesn't prevent. The more damage the rule causes, the more potential liability.

It isn't surprising that plaintiff attorney allies such as Public Citizen and Consumer Watchdog have been pressing for the mandate. Illinois Sen. Dick Durbin, one of the trial lawyers' best friends in Congress, slipped a provision requiring the NHTSA to write a rule requiring automatic emergency braking into the 2021 bipartisan infrastructure bill. Republicans got rolled again.

The rule was midwifed by NHTSA chief counsel Ann Carlson, who orchestrated environmental lawsuits against businesses before joining the Biden administration. President Biden withdrew her nomination to lead the agency last month amid opposition from moderate Democrats owing to those lawsuits and aggressive fueleconomy mandates she has spearheaded at the agency.

Yet electric vehicles may be making roads less safe. One reason is that they're significantly heavier than oldfashioned cars and thus cause more damage in collisions. They also accelerate faster, increasing the risk of rear-end collisions. "As heavy EVs proliferate, their weight may be a drag on safety," the Insurance Institute for Highway Safety notes.

But who cares about safety? More injuries and totalled cars means more money for Democrats' trial-lawyer

friends.

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THE WALL STREET JOURNAL.

Monday, June 12, 2023 | **B1** 

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#### **Auto-Parts Maker Had Safety Woes**

Last Week: S&P 4298.86 ▲ 0.39% S&P FIN ▲ 1.06% S&P IT ▼ 0.66% DJ TRANS ▲ 0.66% WSJ\$IDX ▼ 0.56% 2-YR.TREAS. yield 4.604% NIKKEI 32265.17 ▲ 2.35%

cited for workplace violations, sued for alleged poor welding

By Ryan Felton AND SELINA CHENG

The auto-parts maker resisting a U.S. request to recall 67 million potentially dangerous air-bag inflators is a firm that has been cited for workplace-safety violations and

Tech Does

A Reboot

On Return

Tech companies that led

the way in embracing remote

work early in the pandemic

are increasingly leading their workers right back to the of-

fice-whether they like it or

Alphabet-owned Google.

Lyft, Facebook parent Meta

Platforms and Salesforce have

all recently walked back re-

mote-work policies they origi-

nally set forth, or gotten seri-

ous about enforcing existing

policies, after deciding that

working in the office is more

worry that pushing too hard on office requirements could mean losing employees to competitors offering a remote-first model. This year, the number of layoffs in the industry has

grown to more than 200,000,

according to layoffs.fyi, a site

that crowdsources lists of laid-

While surveys show work-

ers still give priority to flexi-

bility, their job prospects

aren't what they once were, Please turn to page B4

efficient and cost-effective. As recently as early 2022, tech companies still had to

To Office

By KATHERINE BINDLEY

Recall opponent ARC sued for claims of poor welding on some shipped compo-

> ARC Automotive, a Chineseowned supplier that specializes in making propellants and inflators for air bags, in May rejected a request from the National Highway Traffic Safety Administration to recall the parts, which regulators have tentatively concluded are defective.

The auto-safety regulator said the inflators, which are designed to activate during a crash to rapidly fill the airbag cushion, are at risk of blowing apart and sending metal fragments flying at the driver and passengers. Such explosions have killed two people and injured multiple others, NHTSA said.

ARC, based in Knoxville, Tenn., has said extensive field testing has found no inherent defect, and it disagrees with "sweeping NHTSA's quest." ARC didn't respond to multiple requests

unusual in an industry where automakers and suppliers typically initiate recalls of vehicles and parts on their own without NHTSA having to formalize such a request or make it public, safety advocates and former agency officials say. Since 2000, NHTSA has sent 14 recall request letters, the regulatory agency said, out of more than 17,800 safety campaigns conducted in that time.

A recall request letter is one step in the process. Fed-

The company's resistance is eral law requires NHTSA to give the company an opportunity to defend itself before imposing a recall, which is done by issuing a legally enforceable order.

For ARC and its Chinese parent, Sensteed Hi-Tech Group, the stakes are im-

A recall of this size would rival that of the Takata air-bag crisis that began last decade and could be costly and messy for the car business. At least a

Please turn to page B2

#### Stock Sales by Firms, Big Investors Surge

By Corrie Driebusch

Companies and their largest investors are selling shares at a pace not seen in years as stock prices rebound.

Since the end of April, companies and private-equity firms have sold more than \$24 billion worth of stock in so-called follow-on sales, according to Dealogic. More than \$17 billion changed hands in May alone, well above the \$6.9 billion monthly average last year. The sales were done at smaller discounts than usual, on average, reflecting a robust market.

The S&P 500 entered a new bull market last week, closing 20% above its October low as a handful of big technology stocks rallied, after the index took a beating since last year on inflation and other worries.

Nearly half the sales have come from big shareholders like private-equity firms, which have been looking for creative avenues to sell companies—or parts of them—and return the money to the pension funds and others that give

Please turn to page B6

U.S. follow-on volume, monthly



Bazooka, originally known as Topps Chewing Gum, was founded in 1938 and developed its bubble gum after World War II.

#### Disney's Former Boss Eisner Wants \$700 Million for Bazooka Joe

By BEN DUMMETT

AND LAURA COOPER

Former Walt Disney Chief Executive Michael Eisner is seeking a buyer for Bazooka Candy Brands, the iconic gum business his investment firm has owned for more than 15

Eisner and his co-owner, private-equity firm Madison Dearborn Partners, have put a for-sale sign on the gum and candy maker and are aiming for a price tag of about \$700 million, according to people familiar with the matter.

Bazooka, based in New York, is known for its namesake gum brand and sweets such as Push Pop lollipops, which it sells more than 40 million of a year. Other brands include Juicy Drop and Big Baby Pop lollipops, the gemshaped Ring Pop and Mega Mouth, a candy spray.

Bazooka, originally known as Topps Chewing Gum, was

Propane price†

founded in 1938 and developed its namesake bubble gum after World War II. In 1949, Topps first added photo cards as freebies inside its packs of gum, featuring baseball legends such as Babe Ruth. It released its first full set of base-

ball cards in 1951. Please turn to page B2

## 10

Source: Dealogic

\$35 billion

#### Low Propane Prices Fire Up the Grill

By Ryan Dezember

off workers.

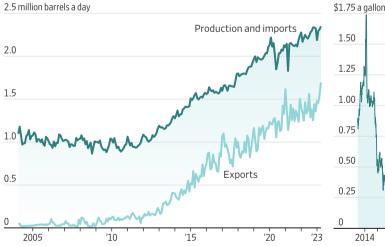
Propane prices haven't started summer this low since the Covid-19 lockdown three

years ago. A lot of the heating fuel was left over after an unusually warm winter, while record output from natural-gas drillers and oil refiners has offset record exports. Propane prices in commodity markets are more than 50% lower than a year ago and about \$1 a gallon less than the pandemic peak.

Propane cost 60 cents a gallon this past week at the trading hub in Mont Belvieu, where benchmark prices are determined for futures traders, exporters and Gulf Coast chemical makers. It hit 58 cents Friday at the Kansas market that influences what a lot of farmers pay for propane that they burn to dry autumn harvests.

Residential prices aren't tracked in the spring and summer as closely as they are during the heating season, when millions of mostly rural Americans rely on propane to warm their homes, cook and

U.S. propane supply and exports, monthly\* 2.5 million barrels a day



\*Data are through March †Mont Belvieu spot

shower in hot water. But consumer prices have eased. On New York's Long Island, the average price in April was \$4.16 a gallon, down from pane burners. \$4.34 in May of 2022, which was the highest price in 25

years of state energy data. Declining prices are great news for the roughly 5% of Americans who rely on propane to heat their homes-

not to mention grillers, forkpatio operators, restaurants, owners of heated pools and other summer pro-

Cheaper propane should also ripple through plastic supply chains. Huge volumes are used to make polypropylene, which goes into automobiles, appliances, packaging and carpet.

Sources: Energy Information Administration (supply and exports); FactSet (propane price) As recently as 2009, the U.S. was a net importer of propane. The shale-drilling

17

boom changed that. In 2013. the U.S. overtook Qatar as the world's biggest propane exporter. A few years later the U.S. was shipping more propane than the entire Middle East.

Propane exports hit a re-Please turn to page B2

#### INSIDE



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Nike returns to retail partners it had cut ties with, as it tries to shed inventory. **B3** 



**HEARD ON** THE STREET

Tesla seems to have clinched victory in the EV charger wars. **B9** 

#### Sputter as **Defensive** Plays Gain

By JACK PITCHER

Money typically chases performance in the \$7 trillion exchange-traded fund market. This year, it is sitting on the sidelines.

Despite a 12% rally for the S&P 500 so far in 2023, ETF flows paint a picture of a cautious investor base, reluctant to wade back into equities after a rough 2022.

At \$147.5 billion, cash inflows to ETFs are running at their slowest pace since 2019, when the market was significantly smaller, according to FactSet data through June 6. Flows are down markedly from this point in each of the past two years, and the money that is coming in has favored bonds and defensive equity strategies focused on less-volatile stocks.

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#### Auto-Parts Maker Hit On Safety

Continued from page B1 dozen car companies have installed these ARC air-bag parts in vehicles since the early 2000s.

The recall request also comes amid simmering tensions between the U.S. and China, with the two economic powers clashing over issues including trade and surveillance.

Washington has stepped up sanctions against Chinese companies, and Beijing has deployed regulatory enforcement and other pressure tactics

against American businesses. "ARC's reported ties to China raise serious questions about [the U.S. government's] ability to hold this firm accountable should it be found liable for producing defective equipment," said Sen. Ted

Cruz (R., Texas). Cruz is the ranking member of the Senate Committee on Commerce, Science, and Transportation, which oversees NHTSA and product-

safety issues.

authority extends to all motor vehicles manufactured for use in the and parts included in those cars. regardless of where they are made or where the manufacturer is based.

A representative from Sensteed Hi-Tech referred to a statement it issued in May, in which it said NHTSA's request isn't a final determination the inflators are defective or an

order to recall vehicles. "The company will pay close attention to the future development of this issue and promptly evaluate the related financial and operational im-

pacts," it said at the time. In 2019, the supplier drew the attention of state regulators for safety risks at its facility in Hartsville, Tenn., according to government records viewed by The Wall

Street Journal. The Tennessee Occupational Safety and Health Administration cited ARC for 17 workplace-safety violations, most of them related to a lack of controls and procedures for

handling explosive materials used in the manufacturing process, the documents show. Among the violations, the state regulator cited ARC for

employees being exposed to hazardous quantities of these materials and its failure to provide clear instructions or training to protect workers from the risks of working with

A spokesman for Tennessee

OSHA said that ARC paid a penalty of \$22,080 for the violations and that all items were

He said the average Tennessee OSHA penalty is about \$4,700.

'This penalty is huge for Tennessee and signifies how serious these hazards are," Debbie Berkowitz, a former OSHA policy adviser, who reviewed a copy of ARC's cita-

"During my time at OSHA and as a union health and safety director, when a company cuts corners on worker safety, they are often cutting corners on other processes and other safety issues," she

ARC was also sued in 2019 by the trust of bankrupt supplier TK Holdings, which claimed that ARC's manufacturing quality was subpar and that defective inflators wound up in vehicles produced by General Motors.

TK Holdings was the U.S. subsidiary of Takata, which was based in Japan.

The lawsuit alleged that ARC improperly welded metal studs used on the inflators and then shipped the parts to customers.

The flaw resulted in the metal studs later failing, the complaint said. In 2016, GM recalled about 3.100 Chevy NHTSA in response said its Malibu sedans, citing a risk

The Chinese-

owned

company's

resistance is

unusual.

the studs could fracture, dislodge the air bag and potentially cause injuries.

The case resulted in a confidential settlement, according Kathleen Miller, attornev an

who represented the trust in the lawsuit.

ARC and lawyers representing the supplier in this lawsuit

didn't respond to requests for comment. ARC was formed in 1949 to develop propellants for the

Defense Department and began supplying air-bag parts for the automotive market in the early 1970s, according to the company's website. Over the years, ARC's air-

bag inflators have ended up in vehicles made by an array of automotive brands, including Chevrolet, Ford, Volkswagen

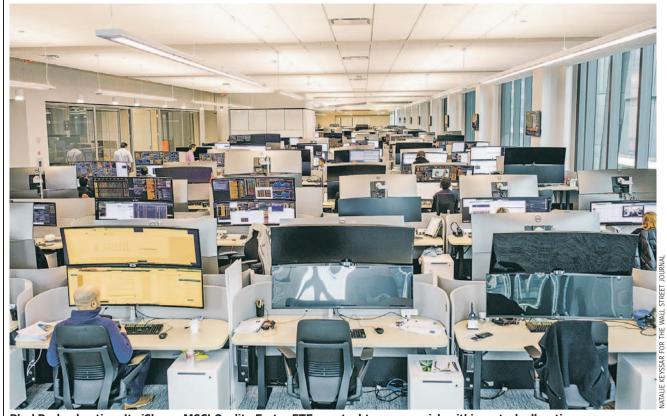
In 2016, ARC was acquired by China's Yinyi Group, which later became Sensteed Hi-Tech, according to the companies' websites and corporate records.

Based in the eastern coastal city of Ningbo, Sensteed Hi-Tech is a Chinese conglomerate with about 11,300 employees, according to its annual

report. In addition to ARC, which it describes as a wholly owned subsidiary, the group has businesses including a firm that specializes in semiconductor packaging material and a maker of automotive transmissions.

#### **BUSINESS & FINANCE**

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BlackRock advertises Its iShares MSCI Quality Factor ETF as a tool to manage risk within a stock allocation.

#### Inflows Fľag At ETFs

Continued from page B1

With interest rates at a 15year high and the Federal Reserve's path ahead uncertain, investors appear wary about stocks even after the S&P entered a new bull market Thursday. Traders will next hear from the Fed on Wednesday at the conclusion of its June meeting, a day after the release of closely watched inflation data.

There's been a lack of expression of risk during this market rally," said Matthew Bartolini, head of SPDR Americas Research at State Street. "There hasn't been a lot of conviction, and where there is, it's mainly been into areas of the market you would consider defensive.

A massive Vanguard S&P 500 ETF has taken in the most money in 2023 through Thursday, according to Fact-Set. The rest of the top five funds-two bond funds and two equity funds—are defensive in nature.

The iShares MSCI Quality

Factor ETF has raked in \$9.7 billion of new money this year. Launched a decade ago, the fund tracks an index of largeand midcap stocks that have "positive fundamentals" such as low debt levels, stable profit growth and a high return on equity. BlackRock, the asset manager behind it, advertises the ETF as a tool to manage risk within a stock allocation.

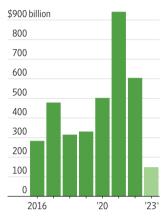
Known by the ticker symbol QUAL, the fund had \$17.7 billion in assets at the end of last year. As of Thursday, it has grown to over \$30 billion. QUAL is up 14% in 2023, rising thanks to the performance of some of the megacap technology companies that are among its largest holdings.

Also surging in popularity is the JPMorgan Equity Premium Income ETF, which uses the ticker JEPI. The actively managed fund invests in defensive stocks and uses options strategies to generate income. It aims to pay a high monthly dividend-currently about 9.6%—and provide "equity market exposure with less volatility." The fund's price is unchanged this year.

JEPI, which launched in 2020, has increased its assets to \$26.5 billion from \$17.3 billion at the start of the year.

Other funds are struggling to attract cash. Just 44% of

#### U.S. ETF net inflows



\*Through June 6 Source: FactSet

equity ETFs had inflows in May, 17 percentage points below the historical median. says a State Street report.

Fixed-income ETFs have taken in more cash than equity funds for the year, at \$82 billion to \$72 billion through the end of May, even though the fixed-income ETF market is only about one-fifth the size. Still, just 58% of fixed-income ETFs reported inflows last month, 16 percentage points lower than normal.

"If everything was sunshine and rainbows, you would see a much higher proportion of ETFs getting inflows," said State Street's Bartolini.

In 2021, the last time technology shares were powering the broader market higher the way they are now, investors piled into riskier funds like Cathie Wood's ARK Innovation ETF and the ProShares UltraPro QQQ ETF, which uses leverage to triple the performance of the Nasdag-100 Index. Total ETF inflows hit a

Now, JEPI is the largest actively managed ETF, a title that once belonged to the ARK fund. Investors have pulled a net \$163 million from the ARK Innovation ETF year-to-date.

Rising rates have made the "There Is No Alternative to Stocks" mantra that ruled for over a decade obsolete. Money-market mutual funds have surged to a record \$5.5 trillion in assets this year, according to the Investment Company Institute.

The result is a more challenging environment for ETF providers, especially the many smaller firms that need healthy inflows to reach a critical mass of assets in their funds. After years of blockbuster inflows and new records in the industry, 2023's slow start stands out.

"The flows have been anemic," said Elisabeth Kashner, director of global funds research at FactSet. "It makes me wonder where the buyers have gone, especially for core portfolio building-block ETFs."

#### Bazooka Is Put Up For Sale

Continued from page B1

Eisner, through his private investment company, Tornante, bought the business along with Madison Dearborn in 2007 in a \$385 million deal.

He started Tornante in 2005 after leaving Disney following a career at the entertainment giant that spanned more than two decades.

In 2021, Eisner and Madison Dearborn had planned to



Michael Eisner's group is looking for about \$700 million.

take Topps public through a blank-check merger that would have valued the company at more than \$1 billion. But that fell through after Ma-

jor League Baseball and its players' union reached an exclusive agreement with a new company controlled by onlinesports-merchandising retailer Fanatics. That had left Topps without its most prestigious American licensing partner.

The next year, Eisner and Madison Dearborn sold Topps's trading-card business to Fanatics for \$500 million and renamed the company.

The sale is attracting bids from buyout firms, and Bazooka is aiming to complete a deal sometime this summer, the people familiar with the matter said.

Candy and other sweets face increasing competition for snacks such as nuts and granola bars as more consumers give priority to healthier eating. Still, some companies and investors remain bullish on the growth outlook for sugary treats.

#### Propane Prices Decrease

Continued from page B1 cord of nearly 1.7 million barrels a day in March, twice the volume five years earlier, ac-

cording to the Energy Information Administration. Federal estimates suggest that the volume shipped abroad has declined in recent weeks, but not by much.

Export capacity has basically maxed out at times this year. The continuing widening of the Houston Ship Channel will increase the number of big tankers that can be floated out of Texas full of propane. Houston's Enterprise Products Partners, which ships more propane overseas than any country besides the U.S., is adding equipment to boost its export capacity there by

Domestic inventories were robust when Covid hit three years ago and shut down the economy. Prices crashed. Drillers idled rigs and refineries dialed back because so few were driving. Yet propane consumption around the

170,000 barrels a day.



Propane prices on commodities markets are more than 50% lower than a year ago.

world held steady.

At home, Americans burned more than normal. There was a run on patio heaters, and homes were warmed when people normally would have been at work.

Overseas, people kept cooking and many of Asia's petrochemical plants kept running because of the complexity of

shutting them down. Exports drained supplies and prices shot toward records. Last fall, federal offi-

cials worried that many Americans might not be able to afford to stay warm. Budget strains were eased by abnormally warm weather, especially in the northeast where

propane heat is most popular. Suburban Propane Partners, which supplies about a million homes and businesses in 42 states, has made up for some lost winter sales this spring thanks to unseasonably

cool weather, said Chief Exec-

utive Michael Stivala.

He said he expects production to remain strong enough to build stockpiles even higher before autumn.

Domestic propane stocks finished 44% higher in the week ended June 2, compared with a year earlier, according to the EIA.

"We're going to retain a fair amount of inventory in the U.S.," Stivala said. "If we're tracking at this level, that should translate to lower prices."

#### **BUSINESS NEWS**

from ielts2.com

#### Nike Is Trying to Win **Back Retail Partners**

Strategy seeks to shed excess product as inflation pinches consumers' budgets

By Inti Pacheco

Nike broke up with retail partners to sell more of its products directly to consumers. Now it is going back to some of those same retailers, seeking help to clean out its inventory.

DSW parent **Designer** Brands on Thursday said it would begin carrying a wider assortment of Nike products later this year. **Macy's** earlier this month said Nike apparel, bags and gear would return to its department stores in October. Both retailers had deals to sell Nike products and characterized the latest agreements as expansions of their relationships.

"They've been great partners," said Designer Brands Chief Executive Doug Howe about Nike on a conference call with analysts. "We've had ongoing dialogue for the past several months, and we're super excited to be able to bring that back across men's, women's,

and kids."

Nike didn't respond to requests for comment.

Nike executives for years have worked to sell more products through the company's website and apps, aiming to keep a larger slice of sales than what could be earned from bulk sales to retailers.

The Covid-19 pandemic accelerated the process, and by December 2020, the company had dropped about 30% of what it called "undifferentiated wholesale accounts." ended up sending fewer products to retailers such as Zappos, Macy's, Designer Brands, and **Urban Outfitters** to focus on its direct channels and what it called strategic partners.

Signs of a shift emerged months ago at Foot Locker, whose market value plunged during the pandemic after having access to fewer Nike products to sell. In February, Foot Locker CEO Mary Dillon said her company was rebuilding its relationship with the sneaker company. The retailer would focus on Nike's basketball, sneakers and children's products, she said.

"Nike thought they could do a lot of it themselves but they

aren't as capable as they thought they were," said Sam Poser, an equities analyst at Williams Trading.

While dealing with factory closures and longer transit times for goods during the pandemic, the company became even more selective about how much inventory it was selling to retail partners. The pandemic surge of people buying more goods online helped underpin and accelerate Nike's plans.

Then last year, the market dynamics changed. Transit times improved, and the company received seasonal products ahead of time, increasing inventory levels. Nike started cutting orders with factories and put discounts on a wider assortment of merchandise, squeezing profit margins. Downloads of Nike apps rose

for most of 2020 compared with a year prior but that growth slowed in 2022, according to data from Apptopia, a provider of app analytics. The number of monthly downloads for Nike's SNKRS app, where the company releases its most exclusive and sought-after products, has declined yearover-year since October, ac-

Macy's earlier this month said Nike merchandise would return to its stores in October.

cording to Apptopia.

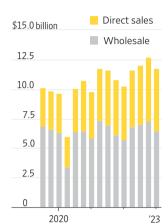
Retailers say they are happy to have Nike back. Macy's CEO Jeff Gennette said that in conversations with Nike's management they discussed how customers came to Macy's looking for Nike products and were disappointed when they couldn't find them. The executive called it a long-term partnership and said Macy's customers would be able to buy apparel online and in a number of locations that will expand next year.

Howe, Designer Brands CEO, said the partnership with Nike strengthens the company's position as a leader in the footwear and athletics

Change in the number of downloads for Nike's apps compared with a year before

Nike App **SNKRS App** 150 100 2020 Sources: Apptopia (downloads); the company (revenue)

Nike's quarterly reported revenue by channel



#### Andreessen to Open London Office for Crypto Startups

By Berber Jin

Andreessen Horowitz is trying a new approach to crypto after a bruising year in the sector.

The venture-capital firm, known for its investments in Skype and **Coinbase**, is opening its first international office in London in the fall to back cryptocurrency startups based in the U.K., bucking a broader retrenchment taking place across the volatile sector.

Andreessen crypto general

partner Chris Dixon said the regulatory landscape in the country promises a clearer path for crypto companies than in the U.S., where government agencies including the Securities and Exchange Commission have ratcheted up investigations into some of the firm's largest portfolio companies and taken a tougher public stance against the industry.

'We've been wanting regulatory clarity for a long time," said Dixon. "In the U.K., I

think it will happen faster because there's more political

The crypto division is relocating one of its four general partners, Sriram Krishnan, to the London office and plans to move other employees there as well. It plans to host its crypto startup school, a 12week training program for young crypto founders, in London next spring.

Dixon said that the firm's leaders have spent the past six months speaking with British policy makers, including Prime Minister Rishi Sunak and representatives at various regulatory agencies, and were encouraged by their approach.

The U.K. government committed last year to introducing a new regulatory regime for crypto assets and released a consultation paper earlier this year outlining potential proposals. Brian Quintenz, the head of policy at Andreessen crypto, said the paper "struck the right balance" between

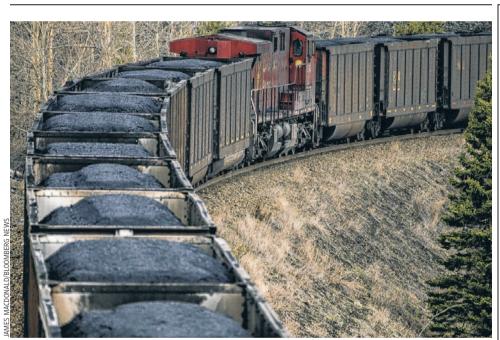
ensuring innovation and consumer protection.

Andreessen Horowitz pioneered crypto investing in Silicon Valley largely thanks to Dixon, an early bitcoin bull who launched the firm's first fund dedicated to the sector in 2018. The firm raised its fourth crypto fund last year totaling \$4.5 billion—the largest ever for crypto investments-amid a market crash that sent the sector spiraling into a so-called crypto winter.

Andreessen's crypto invest-

ments have since tanked in value, thanks to the plummeting price of cryptocurrencies like Solana and markdowns on startup equity. Andreessen's inaugural crypto fund shed around 40% of its value in the first half of last year—a much more severe decline than other venture funds, The Wall Street Journal reported.

Dixon said Andreessen made four new crypto investments in the past month and is seeing a strong pipeline of new entrepreneurs.



Glencore's merger offer is still open, but the firm has signaled it could buy just the coal arm.

#### Glencore Asks Teck About Purchasing Its Coal Business

By Julie Steinberg AND BEN DUMMETT

Swiss mining and trading giant **Glencore** has approached Canadian miner Teck Resources over buying its coal assets, according to people familiar with the matter, providing an alternative to Glencore's original proposal for a full-blown merger between the two miners.

Glencore's original merger offer is still on the table, these people said, but the company has indicated to Teck that it would also be willing to buy iust the coal business—which it had previously valued at more than \$8 billion—if that is the only asset up for sale.

Glencore previously said it could revise its roughly \$23 billion bid for the whole company if Teck were to engage on a potential transaction. So far, though, Teck has rejected that proposal and isn't talking with Glencore about the bigger merger or about the coal business, some of the people said.

Teck last week said it had received a number of inquiries about potential transactions for its coal business, without

specifying which parties had initial advance and a subseasked. It said it is engaging with these interested parties. Teck's metallurgical coal is used in steelmaking.

A spokesman for Glencore declined to comment. A spokesman for Teck declined to comment beyond the company's statement of last week. Glencore in April valued

Teck's coal business at billion. \$8.2 That month, its bid to merge with Teck bepublic. came that Under plan, it proposed two separate compa-

nies for Glencore's and Teck's merged metals and coal businesses. It would then spin off the com-

bined coal business. In proffering the tie-up, Glencore had envisioned a combined metals company that would be a leading player in copper, cobalt and zinc. crucial for the global transi-

tion to cleaner forms of en-

quent revised offer that included a cash component investors could take instead of shares in the combined coal operations.

Teck that same month called off a shareholder vote on its own plan to spin off its coal business, a surprise that analysts said suggested inves-

Glencore has

previously

business at

\$8.2 billion.

from Glencore or others. Teck then said it would work on an alvalued the coal ternative plan.

Coal has become a flashpoint for investors in mining companies. Many big min-

tors were open

to a better offer

ers have sold or are selling assets because of government, investor and consumer pressure to reduce greenhouse-gas emissions.

Glencore has so far resisted unloading its coal business, and has said it would run down those operations by 2050 and spin the business off completely if a majority of its Teck rebuffed Glencore's shareholders approves.





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#### OpenAI CEO Pushes for China Collaboration

Altman says Beijing can help combat the dangers of artificial intelligence

By Karen Hao

HONG KONG-As the U.S. seeks to contain China's progress in artificial intelligence through sanctions, OpenAI Chief Executive Sam Altman is choosing engagement.

Dialing in from overseas to a packed conference in Beijing on Saturday to widespread cheers in the audience, Altman emphasized the importance of collaboration between American and Chinese researchers to mitigate the risks of AI systems, against a backdrop of escalating competition between Washington and Beijing to lead in the technology.

'China has some of the best AI talent in the world," Altman said. "So I really hope Chinese AI researchers will make great contributions here."

OpenAI doesn't make available its services, including ChatGPT, in China.

Altman and Geoff Hinton, a so-called godfather of AI who quit Google to warn of the potential dangers of AI, were among more than a dozen American and British AI executives and senior researchers from companies including chip maker Nvidia and generative AI leaders **Midjourney** and

Anthropic who spoke at the conference.

Chinese speakers at the conference came from top universities and companies including U.S.-blacklisted telecompany Huawei Technologies, search giant Baidu and speech-recognition firm iFlytek, which the U.S. sanctioned in 2019 saying it aided the Chinese government in the surveillance of ethnic Uyghurs and other Muslim minorities in Xinjiang.

"This event is extremely rare in U.S.-China AI conversations," said Jenny Xiao, a partner at venture-capital firm Leonis Capital who researches AI and China. "It's important to bring together leading voices in the U.S. and China to avoid issues such as AI arms racing, competition between labs and to help establish international standards," she

The U.S. imposed sanctions last October on China to prevent it from accessing the most popular cutting-edge chips needed for AI development. In Washington, anxieties of China challenging U.S. dominance have loomed large in regulatory discussions.

By some metrics, China now produces more highquality research papers in the field than the U.S. but still lags behind in "paradigmshifting breakthroughs," according to an analysis from the Brookings Institution. In



Sam Altman has emphasized cautious regulation of Al.

generative AI, the latest wave of top-tier AI systems, China remains one to two years behind U.S. development and reliant on U.S. innovations, China tech watchers and industry leaders have said.

The Chinese government has made developing AI a priority in recent policy statements, while also pushing ahead with regulation to make sure it conforms to China's heavily censored internet.

The competition between Washington and Beijing belies deep cross-border connections among researchers: The U.S. and China remain each other's No. 1 collaborators in AI research, according to a tracker from the Center for Security and Emerging Technology, a

Washington-based think tank.

During a congressional testimony in May, Altman warned that a peril of AI regulation is that "you slow down American industry in such a way that China or somebody else makes faster progress."

At the same time, he added that it was important to continue engaging in global conversations. "This technology will impact Americans and all of us wherever it's developed," he said.

The annual China conference, hosted since 2019 by the Beijing Academy of Artificial Intelligence, a governmentsponsored research nonprofit sometimes loosely referred to as the OpenAI equivalent of China, has become one of the country's most prominent fo- ing that BAAI open-sources rums for bringing together Chinese and Western researchers

The conference is geared toward a technical audience. This year's proceedings covered a breadth of topics ranging from the latest large language models and nextgeneration chip design to applications of AI in life sciences and self-driving cars.

Altman delivered the opening keynote for a session dedicated to AI safety and alignment, a hotly contested area of research that aims to mitigate the harmful impacts of AI on society. Hinton delivered the closing talk for the same session later Saturday, also dialing in. He presented his research that had made him more concerned about the risks of AI and appealed to young Chinese researchers in the audience to help work on solving these problems.

During the question-andanswer session after Altman's prepared remarks, Zhang Hongjiang, the chairman of BAAI, pressed him on whether OpenAI would ever opensource its research again. OpenAI, which used to publish its code to foster more research building off its work, has increasingly closed off visibility into its technical systems, citing safety concerns.

'Open-source could benefit AI safety," Zhang said to laughter in the audience, add-

its models to increase transparency and give people a sense of control into AI development.

"Over time you should expect us to open-source more models in the future," Altman said, but added that it would be important to strike a bal-

ance to avoid abuses of the

technology. Altman has been on a global tour to meet with world leaders, students and developers, including in India, Israel and across Europe. He has emphasized cautious regulation as European regulators consider the AI Act, viewed as one of the most ambitious plans globally to create guardrails that would address the technology's impact on human rights, health and safety, and on tech giants' monopolistic behavior.

Chinese regulators also have pressed forward on enacting strict rules for AI development that share significant overlap with the European Union act but impose additional censorship measures that ban generating false or politically sensitive speech.

Chinese tech giants and startups have rushed to create their ChatGPT equivalents and other generative AI technologies. Authorities in China have detained some individuals in recent weeks for allegedly using generative AI tools to produce fake news or defraud individuals.



#### U.S. Tech Giants Slowly Cut Off **Internet Users in Hong Kong**

By Newley Purnell

HONG KONG—Bit by bit, American tech giants are shutting out users in Hong Kong, where moves by authorities to thwart online dissent are shifting the target from individuals to platforms such as Google's

Alphabet-owned Google, San Francisco-based OpenAI and Microsoft have limited access to their artificial-intelligence chatbots in recent months in the global finance and business hub. In OpenAI's case, the restriction puts Hong Kong and mainland China alongside North Korea, Syria and Iran.

While none of the companies have given reasons, observers say they could be exposed to risk if the chatbots spew out content that violates a national-security law imposed by China nearly three years ago. The law criminalizes many types of criticism of the government and Beijing.

Google, OpenAI and Microsoft declined to comment on why they restricted use in Hong Kong, but said they are working to bring their services to new locations in the future.

Anthem hearing A Monday hearing is scheduled for a court order sought by Hong Kong authorities to block the dissemination online of a popular pro-democracy anthem, "Glory to Hong Kong." The order cites 32 videos on YouTube of the song, which has lyrics that the government says contain a slogan that amounts to advocating secession. It is the first major legal challenge to U.S. tech companies over politically sensitive content on their platforms in the city.

The moves add to a slow creep of tech giants treating Hong Kong more like a city in mainland China. Apple joined with China's Tencent to filter suspicious websites, with users complaining it temporarily blocked access to legitimate sites such as Twitter rival Mastodon. Disney declined to offer on its streaming service two episodes of "The Simpsons" that it worried could run afoul of the national-security law, according to a person familiar with the matter.

#### Firewall fear

Some fear that Hong Kong's largely unfettered internet is being nudged closer to China's. which is strictly censored by a system known as the Great Firewall and has had no access to foreign social-media services such as Twitter and Facebook since 2009.

'We don't have the Great Firewall yet, but companies aren't offering their services," said Heatherm Huang, co-founder of Hong Kong-based tech company Measurable AI, which analyzes online shopping data for financial firms. "Overall, it's a sad story," he said.

Some Hong Kong residents have been able to access the chatbots using special thirdparty apps or by using virtual private networks, known as VPNs, which allow consumers to shield their location and identity online.

A Hong Kong government spokeswoman said the government respects companies' strategies for launching products and noted the chatbots could be accessed through alternative means, such as

While Hong Kong's population of about 7.5 million means

it isn't a major market in terms

of its user base for U.S. tech companies, foreign companies and workers often cite the free flow of information as one reason they are based here. Tens of thousands of workers have left the city over the past three years, in part because of the crackdown on free expression.

A survey by the American Chamber of Commerce in Hong Kong released in March found that just 38% of respondents were optimistic or very optimistic about Hong Kong maintaining free access to the global internet and information platforms in the next three

The court injunction to block the pro-democracy anthem, if granted at the Monday hearing, could amount to the "opening of floodgates" of legal action against U.S. tech giants, said George Chen, former head of public policy for Greater China at Facebook parent **Meta** 

Google could be forced to comply with Hong Kong's court order regarding the song, which would complicate its content moderation, said Chen, who is now managing director for Hong Kong and Taiwan at the Asia Group, a business advisory firm in Washington.

Complying might risk angering Washington lawmakers who could accuse the company of bowing to censorship demands, he said.

Google in 2010 withdrew its search-engine business in mainland China after refusing to agree to censor its search results in the country.

Chatbot worries AI companies may be concerned about their chatbots violating the national-security

law, said Charles Mok, a visit-

ing scholar at Stanford Univer-

sity's Cyber Policy Center and former Hong Kong lawmaker. That could happen if the chatbots give unexpected answers to questions, in ways that breach the rules, he said.

Apple—which is reliant on China for iPhone manufacturing-has for years used a service from Google to show a warning to Safari browser users in Hong Kong and elsewhere when they clicked on links that could be malicious, such as those that might be designed for phishing scams.

The Cupertino, Calif., company updated its Safari privacy policy late last year to say it may also use Tencent's tool to do the job in Hong Kong, as it does in the mainland.

#### Blocked access Users in Hong Kong in re-

cent months have shared screenshots showing that Tencent's service was flagging and blocking access to legitimate websites from the West. They included U.S. coding website GitLab, U.S. cryptocurrency exchange Coinbase and social-media service Mastodon. The sites were later made accessible.

"It is hard to imagine that this was a mistake and that the list will not grow in time," said Benjamin Ismail from online censorship watchdog Great-Fire.org.

Apple didn't respond to requests for comment. A Tencent spokeswoman said its system follows best practices for blocking malicious websites.

Hong Kong's move to censor the pro-democracy song on YouTube signals that U.S. tech companies should anticipate further challenges over sensi-

tive content, Chen said. "This time it is about the song, next time it could be something else," he said

#### Tech Firms Seek Return To Office

 $Continued\ from\ page\ B1$ tipping the scale back to employers and emboldening them to start pressing for face time. "Technology is where in the

past 12 months there's been the starkest change from remote-friendly to not-so-remote-friendly," said Jacob Rowden, a research manager at commercial real-estate services firm JLL.

Shifts in the labor market have changed the landscape of remote work, Rowden added. "A year ago, it was easier to say, 'I'd rather quit than re-

turn to the office.' Last month, 600,000 U.S. workers faced newly effective return-to-office mandates, according to JLL. The tech industry accounted for about one-third of those and another 85,000 will join them by September. In some cases, the return dates for mandates that were announced last vear have finally arrived. Other directives are about-faces as companies struggle with an

economic downturn, multiple rounds of layoffs and internal research about how their workers perform in different settings.

Some companies are trying incentives but many are

telling, not asking, workers to return—and adding punitive measures if they don't show up. The reversal is creating tension for some who have adjusted to the flexibility they gained during the pandemic and arranged their lives accordingly.

Some people prefer working from an office, being alongside their colleagues and having more of a separation between work and home. Others prefer remote work arrangements. They cite a range of reasons, from long commutes and caregiver responsibilities to an aversion to open floor plans that can make it harder to concentrate.

The debate about the optimal amount of in-office work, while playing out across industries, is particularly acute in tech because the sector was an early booster of the remote-work trend and then ended up under greater pressure than many to right-size workforces.

Google, which requires most workers to be in the office three days a week, sent a companywide email last week telling workers that office attendance would begin to factor into performance reviews. The company also told em-

ployees that teams would be sending emails to those who are consistently absent and it would encourage remote employees who live near an office to consider switching to a hybrid schedule. The Alphabet Workers

Union, which represents a relatively small number of Google workers, objected to the policy, saying that Google employees have maintained quality performance while working in flexible arrangements and that in some offices, such as New York City, they don't have enough desks or conference rooms.

"Overnight, workers' professionalism has been disregarded in favor of ambiguous attendance-tracking practices tied to our performance evaluations," said Chris Schmidt, a software engineer and member of the union. "The practical application of this new policy will be needless confusion amongst workers and a disregard for our various life

circumstances," he said. Google said its hybrid ap proach incorporates the best of in-person time with the benefits of working from

home part of the week. In the pandemic's early days, tech companies weren't facing concerns about produc-

'A year ago, it

was easier to

say, "I'd rather

quit than return

to the office."

tivity. Some posted record profits and kept bringing workmore ers to keep up with demand, as well as edge out their competitors in the talent wars. Meta Chief Executive Mark Zuckerberg said

in the summer of 2021 that working remotely made him more productive.

Salesforce originally said at least 65% of its employees would come into the office one to three days a week. It updated its policy earlier this year to say those in customer-facing roles would need to be in-person with each other or their customers four days a week.

Ride-sharing platform Lyft reversed the policy it initially set for office work. In spring 2022, it said employees could work from anywhere indefi-

But at the end of April, Lyft laid off more than 1,000 employees and its new chief executive, David Risher, said evervone except employees who had been designated as remote would be required to come in three days a week.

"Lyft helps get people out and about to work, play, and have fun together. We've got to walk the walk," Risher said.

At a companywide meeting, some workers questioned why they should stay and one asked if the new mandate was the company making a deliberate attempt to force out

–Preetika Rana contributed to this article.

#### **BUSINESS & FINANCE**

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#### Railroads Offer **Improved Work Conditions**

Union Pacific, CSX, Norfolk Southern shift tack in effort to ease staffing strains

By Esther Fung

Major U.S. freight railroads are adopting labor-friendly policies such as paid sick leave and predictable shifts to help address long-running staffing shortages that nearly boiled over into a nationwide strike last year.

The railroads have reached agreements with unions representing employees such as track workers and machinists to pay for at least four days of sick leave a year. Three companies-Union Pacific, CSX and Norfolk Southern—also have signed agreements with unions to offer train crews more-predictable rest sched-

The changes are in addition to providing unionized workers a retroactive pay raise under a new national contract as

Total train and engine workers at BNSF, CSX, Norfolk Southern and Union Pacific, change from a year earlier



Source: Railroads' reports to the Surface

Transportation Board

well as scheduled increases this year and in 2024.

These labor-friendly moves, company executives said, are aimed at boosting morale among existing workers and making jobs more attractive to those outside the industry. The four major U.S. freight railroads have increased the number of train and engine employees by 19% over the past three years, and staffing is nearing levels last seen at the start of the pandemic.

Short-term paid sick leave, which wasn't previously available for union workers, became a sticking point in contract talks last year between railroads and labor groups representing more 115,000 employees.

As of late May, 57% of all union railroad employees had new paid sick-leave agreements in place, according to the Association of American Railroads, an industry trade

After months of tumult that resulted in interventions from Congress and the White House, railroad executives said they are ready for a reset in relations with workers.

'Having an engaged workforce and delivering strong returns to our investors are not mutually exclusive," said Joe Hinrichs, chief executive of Jacksonville, Fla.-based CSX, which became the first major railroad to reach a deal on paid sick leave with a union this year. "We can and will do

Companies in other industries such as ride-hailing and airline travel as well as food retailing and food manufacturing also have been evaluating ways to improve labor gaps beyond higher pay—such offering more-flexible shifts, more-comfortable uni-



Union Pacific is among those railroads that have signed agreements with unions for more-predictable rest schedules.

forms and addressing other grievances.

workers have Railroad raised concerns for years about operating changes that companies pursued in a bid to become more efficient, labor leaders said.

Those changes often resulted in staff reductions, a problem that was magnified during the Covid-19 pandemic. Strong demand from rail customers and thin staffing levels left workers shouldering heavy workloads to keep trains moving.

A new labor pact late last year didn't quell discontent among rank-and-file employees at several railroads. The companies continued to face pressure from politicians and union leaders to enhance workers' quality of life. They also fielded complaints from customers and federal officials to improve rail service, which they have associated with worker shortages.

Union leaders said they are now seeing a shift in how railroad operators are engaging with employees.

"America started to see that the cultures on these railroads were very toxic and it was time for a change," said Jeremy Ferguson, president of the International Association of Sheet Metal, Air, Rail and Workers— Transportation Transportation Division, or SMART-TD.

Engineers on rail assignments at Union Pacific can be called to work anytime after completing their legally allocated hours of rest. But in late May, the Omaha, Neb., railroad and the Brotherhood of Locomotive Engineers and Trainmen tentatively agreed to put workers on defined work schedules. In the new schedule, engineers would work no more than four days in a row and would get four consecutive days off in a 15-day pe-

CSX has a schedule of six work days and two rest days for its engineers, while Norfolk Southern has a mix of five or six work days and two rest

"It's a huge step in the right direction," said Cliff Horton, a Sweetwater, Texasbased locomotive engineer at Union Pacific. Horton, who has been on the road crew for 10 years, said that workers currently aren't necessarily guaranteed time off because it is contingent on staffing lev-

"We will be able to schedule events. When you tell somebody you're going to be somewhere and vou cancel on them, they just kind of give up on you," Horton added.

Higher employee wages combined with forecasts of paltry growth in rail volumes could curb profits for railroads this year, according to industry analysts. However, there are early signs that the companies' moves are resulting in higher staffing levels and retention, which help improve service for their customers, executives said.

"If we can be more stable and more consistent, there's a whole book of business out there from existing customers," said Union Pacific CEO Lance Fritz at an investor conference earlier this month.

Freight railroads and unions aren't in lockstep on all potential changes in work rules, including those mandating the size of train crews.

In the current round of negotiations with conductors, Norfolk Southern and Union Pacific backed off efforts to reduce train crews to one person, an issue that workers have said could threaten rail safety and their job security. CSX didn't raise crew size issues in recent talks. SMART-TD, the union representing conductors, said it is still in talks with BNSF on crew-size

requirements. "BNSF is in continued dialogue with all our unions on modernization concepts and ways to address quality of life," said BNSF spokesman Zak Andersen.

Railroad operators have said in recent years that improved technology has rendered the role of an onboard conductor obsolete, and that conductors could be redeployed to other positions that would minimize time away from home.

For now, Norfolk Southern is giving priority to predictable work assignments and time off for conductors, as well as wellness benefits such as paid sick leave, said Thomas Crosson, a company spokesman.

"To give us the space to negotiate those changes and implement them, we stepped back from mandatory conductor redeployment negotiations at this time, though voluntary discussions remain an option,'

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#### **BUSINESS & FINANCE**

from ielts2.com

#### Shell CEO Takes Pitch to Investors

Wael Sawan signals openness to more oil production to woo shareholders

By Jenny Strasburg

LONDON-New Shell Chief Executive Wael Sawan is heading to New York to persuade Wall Street that Europe's biggest energy company deserves more of its respectand more of its money.

Sawan this week will face investors gathered at the New York Stock Exchange for the most detailed blueprint yet for how he plans to spend a bounty of energy profits, a presentation widely anticipated since he took over the London company at the start of the year.

He faces expectations for increased spending on fossilfuel production and a break from Shell's year-over-year cuts in oil output. People close to the company expect Sawan to argue that the world's continued thirst for fossil fuels has changed the speed at which it can transition to cleaner energy without leaving entire countries and the global economy behind.

While that message might please some shareholders, it would frustrate others who have called for Shell to funnel much more of its fossil-fuel profits into lower-carbon energy. It would stoke further criticism from environmentalists.

Shell is performing a review of its chemicals business that it hasn't detailed publicly, people close to the company say. The review is aimed at addressing what many investors view as lagging perfor-

mance in the production of materials that go into everything from plastics and industrial machinery to lubricants and agricultural pesticides.

That business, which is capital heavy and subject to cyclical ups and downs, had a \$1.4 billion full-year loss in 2022, based on adjusted earnings. It is dwarfed by the combined heft of Shell's oil and naturalgas production and trading operations. Shell's integrated gas division-which includes its market-leading liquefied-natural-gas business—contributed \$16.1 billion in adjusted fullyear earnings last year.

But even tinkering with the chemicals footprint would highlight the reach of Sawan's companywide inventory review.

Ahead of Wednesday's event, many investors want Shell to return more cash to shareholders, or at least assure them it won't scale back dividends and buybacks if volatile trading profits and oil and gas prices bite into returns.

At stake is how the company is perceived relative to European competitors but also against U.S. oil giants Exxon Mobil and Chevron. Shell's American counterparts are likewise flush with cash but enjoying richer valuations than European rivals.

Unlike those U.S. companies, Shell sharply cut its dividend in April 2020, the first time since World War II.

Last year, Shell had record annual profit and returned \$26 billion to shareholders through dividends and stock buvbacks.

Sawan, who has spent nearly 26 years at Shell, took over after a year of colossal profits for the company and its big oil-and-gas peers glob-



Wael Sawan, CEO of Shell, will detail its spending plans.

ally. The venue choice for Sawan's biggest strategy unveiling so far is no accident.

Most North American investors have preferred buying shares in oil companies that stick to fossil fuels, leaving renewables to others focusing on that as their core business.

"It's an intentional message that his sights are looking upward to the lofty valuations coming out of Exxon and Chevron," said Christopher Kuplent, London energy analyst with Bank of America.

Kuplent, like most investors, expects Sawan to stabilize oil production if not increase it, in what would be a departure from steady annual output declines in recent years.

"I fundamentally believe in the role of oil and gas for a long, long time to come," Sawan said in a March interview with The Wall Street Journal.

In recent months, Sawan has made clear that he is going to be tougher on renewable-energy and low-carbon projects, applying profit hurdles more akin to the fossilfuel business. And he has insisted that Shell is on track to meet long-term climate goals, angering some investors and climate watchdogs who argue Shell isn't explaining how it will reach targets without sharp production and emissions cuts this decade.

Investors are wary of any deal making or increased oiland-gas investment they view as too bold, after being burned by the sector's debtfueled oil boom in the 2010s. As a European company, Shell has the added challenge of balancing its own targets for developing low-carbon energy in renewables and other areas largely avoided by U.S. rivals,

while competing with them for capital.

While Shell and U.K. rival BP shift more toward fossilfuel production, there is a limit to how far they can go, analysts and investors say.

Earlier this year, BP shareholders richly rewarded its move under CEO Bernard Looney to bump up spending on oil and gas in a move widely viewed as a strategic retreat from intentions unveiled in 2020 to more drastically curtail fossil-fuel production. Looney has said BP is merely 'leaning in" to its strategy to produce more oil and gas that 豈 the world needs while also increasing investments in electric-vehicle charging, hydrogen and biofuels.

Sawan and Looney know it is a small slice of their diverse investor base that they risk alienating by incrementally ramping up oil and gas production, said Peter Low, energy analyst at research firm Redburn.

The bigger challenge, Low said, is convincing the remaining bulk of investors that such moves will directly, and quickly, reward them. "That middle bucket of investors is hard to please," he said.

With the message that lower-margin clean-energy projects will have a harder time getting signoff, some employees in those businesses have been rattled, people close to the company say.

But investor-driven climate pushes have stalled at big oil companies, including in Europe. Shareholders don't want Shell to increase overall capital spending, which means less money for low-carbon energy, said Christyan Malek, global head of energy strategy and European oil and gas equity research at JPMorgan Chase.

He points to Shell's LNG business, which Sawan previously ran, noting, "If you're making around 30%-plus returns in upstream LNG, how can you justify investing in businesses with substandard returns?"

On the sidelines of Shell's shareholder meeting in May, Sawan told reporters that the "silent majority" of the company's investors support continued oil and gas investment.

#### |Follow-On Sales Pick Up Pace

Continued from page B1 them capital. The typical playbook for private-equity firms is to buy companies they view as undervalued, streamline their operations and take the businesses public again or sell them at a higher price years later. The frozen initial-publicoffering market and tepid M&A volume have made that more difficult.

"There's a view that this might be the trading levels for the foreseeable future and selling now gives them the opportunity to return capital to their limited partners," said Keith Canton, head of Americas equity capital markets at JPMorgan Chase, which has led many of the large share sales in recent weeks.

In May, private-equity firm Clayton Dubilier & Rice sold a roughly \$2 billion stake in healthcare-technology company Agilon Health, the biggest such sale in more than a year. To attract willing buyers the firm did something unusual: It promised to not sell any more of the company, which made its stock-market debut in 2021, for 900 days.

That deal opened the door for more big stock sales. Intel this month sold more than \$1.6 billion of stock in former unit **Mobileye**, more than the chip giant and its bankers had originally planned. General Electric sold roughly \$2 billion worth of stock in its spinoff, **GE HealthCare Technologies**, while American International **Group** cashed out of more than \$1 billion of stock in Corebridge Financial, the retirement and life-insurance business it carved out last year.

Typically, sellers must offer a discount to where shares recently traded in follow-on offerings in order to entice buyers. In 2020 and 2021, when demand for stocks was high. these discounts shrank, averaging 8.4%, according to Dealogic.

Since the start of 2022, the average discount for follow-on offerings jumped to around 12%. In May, that discount started shrinking again, compressing to 8.3%, and in June it has been even tighter.

Retail sales

May, expected

April, previous up 0.4%

Capacity utilization

May, expected

April, previous 79.7%

Industrial production

April, previous up 0.5%

May, expected up 0.1%

**Business inventories** 

April, expected up 0.2%

EIA report: natural gas Previous change in stocks billions of cubic feet

Earnings expected

March, previous

down 0.1%

79.6%

down 0.1%

**3.79**/3.35

**1.88**/1.72

**1.44**/1.45



Kroger is expected to post per-share earnings of \$1.44.

#### THE TICKER

#### MARKET EVENTS COMING THIS WEEK

All items, April up 0.2%

May, expected up 0.2%

Earnings expected

Thursday

April, previous

May, expected

Previous

Expected

Initial jobless claims

Import price index

down 0.1%

up 0.2%

**2.31**/4.49

up 0.4%

down 0.6%

261,000

248,000

May, expected

Core, April

Lennar

#### Monday Refinan., prev. down 1.0% Treasury budget May '22 Producer price index \$66.0 bil. deficit

Earnings expected **1.58**/1.54

\$235.5 bil. deficit

Tuesday

May '23, exp

Fed 2-day meeting begins

Consumer price index All items, April up 4.9% May, expected up 4.0% Core, April up 5.5% May, expected up 5.3%

Wednesday

Fed rate-policy meeting Current target rate

5.00% - 5.25% EIA status report Previous change in stocks in

millions of barrels Crude-oil stocks

down 0.5 Gasoline stocks up 2.7 Distillates

up 5.1 Mort. bankers indexes Purch., previous

theses) • Adjusted for stock split

down 2.0%

June, expected Retail sales, ex. autos

May, previous -31.8 June, expected -16.0

**Empire Manufacturing** 

Philadelphia Fed survey May, previous

April, previous up 0.4%

-10.4 -15.0

Adobe

Kroger

Friday

Jabil

May, final 59.2 June, prelim 60.8 Monday

**U.Mich.** consumer

U.S. financial markets closed for the May, expected up 0.1% Juneteenth holiday

FactSet Estimates earnings-per-share estimates don't include extraordinary items (Losses in paren-Note: Forecasts are from Dow Jones weekly survey of economists

#### UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

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**CLASS ACTION** 

Sullivan, et al. v. Barclays plc, et al.

SUMMARY NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

If you transacted in Euribor Products1 between June 1, 2005 and March 31, 2011, inclusive ("Class Period"), then your rights will be affected by a pending class action settlement, and you may be entitled to a portion of the settlement fund.

with Société Générale (the "Settlement") is not a settlement with any other Defendant and thus is not dispositive of any of Plaintiffs' claims against other Defendants.

The Settlement has been proposed in a class action lawsuit concerning the alleged manipulation of the Euro Interbank Offered Rate ("Euribor") and the prices of Euribor Products during the Class Period. The Settlement provides a total of \$105 million to pay claims from persons who transacted in Euribor Products during the Class Period. If you qualify, you may potentially receive benefits from the Settlement if you (a) previously submitted a Proof of Claim and Release form ("Claim Form") in connection with prior settlements in this Action or (b) submit a Claim Form by the deadline set forth below. You can also choose to exclude yourself from the Settlement, or object to the Settlement.

The United States District Court for the Southern District of New York (500 Pearl St., New York, NY 10007-1312) authorized this Notice. Before any money is paid, the Court will hold a Settlement Hearing to decide whether to approve the Settlement.

#### Who Is Included?

You are a "Settlement Class Member" if you purchased, sold, held, traded, or otherwise had any interest in Euribor Products during the Class Period, and during the Class Period were either domiciled in the United States or its territories or, if domiciled outside the United States or its territories, you transacted in Euribor Products in the United States or its territories during the Class Period. "Settlement Class Members" include, but are not limited to, all persons who during the Class Period traded CME Euro currency futures contracts and options, all persons who during the Class Period transacted in NYSE LIFFE Euribor futures and options from a location within the United States, and all persons who during the Class Period traded any other Euribor Product from a location within the United States or its territories.

Contact your brokerage firm to see if you purchased, sold, held, or traded or otherwise had any interest in Euribor Products. If you are not sure you are included, you can get more information, including the Settlement Agreement,<sup>2</sup> the Notice of Proposed Class Action Settlement, September 7, 2023 Settlement Hearing Thereon, Proof of Claim and Release, and other important documents, at <a href="https://www.EuriborSettlement.com">www.EuriborSettlement.com</a> ("Settlement Website") or by calling toll-free 800-492-9154.

#### What Is This Litigation About?

Plaintiffs allege that during the Class Period, Defendants (including Société Générale) conspired to manipulate and manipulated Euribor and the prices of Euribor Products. Plaintiffs allege that Defendants did so by using several means of manipulation. For example, Plaintiffs allege that panel banks that made daily Euribor submissions to Thomson Reuters falsely reported banks' costs of borrowing in order to financially benefit their Euribor Products positions. Plaintiffs also allege that Defendants requested that other Defendants make false Euribor submissions on their behalf to benefit their Euribor Products positions.

Plaintiffs further allege that Defendants continuously conspired to fix the prices of Euribor Products in the over-the-counter market to financially benefit their own Euribor Products positions. In addition to coordinating Euribor submissions and agreeing on where to price Euribor Products, Plaintiffs allege that to effectuate their alleged manipulations of Euribor and Euribor Products during the Class Period, Defendants engaged in "pushing cash," transmitted false bids and offers, used derivative traders as submitters, and rigged bids and offers for Euribor Products.

Plaintiffs have asserted legal claims under various theories, including the Sherman Act, the Commodity Exchange Act, the Racketeering Influenced and Corrupt Organizations Act, and common law.

Société Générale has agreed to enter into this Settlement Agreement, while denying the allegations brought in this action and maintaining that it has meritorious defenses to Plaintiffs' claims of liability and damages, in order to avoid further expense, inconvenience and the distraction of burdensome and protracted litigation, and thereby to resolve this controversy and avoid the risks inherent in complex litigation.

#### What Does the Settlement Provide?

Under the Settlement, Société Générale agreed to pay a total of \$105 million into the Settlement Fund. If the Court approves the Settlement, eligible Settlement Class Members who either previously submitted a Claim Form in connection with an earlier settlement in the Action or submit a valid Claim Form before the claims filing deadline

The purpose of this Notice is to inform you of your rights in connection with the proposed settlement with Settling Defendant Société Générale in the action titled Sullivan, et al. v. Barclays plc, et al., 13-cv-2811 (PKC) (S.D.N.Y.). The settlement describes all of the details about the proposed Settlement. The exact amount each qualifying Settlement Class Member will receive from the Settlement Fund cannot be calculated until (1) the Court approves the Settlement; (2) certain amounts identified in the full Settlement Agreement are deducted from the Settlement Fund; and (3) the number of participating Class Members and the amount of their claims are determined. In addition, each Settlement Class Member's share of the Settlement Fund will vary depending on the information the Settlement Class Member provides on their Claim

No. 13-cy-2811 (PKC)

The number of claimants who send in claims varies widely from case to case. If less than 100% of the Settlement Class sends in a Claim Form, you could get more

#### How Do You Ask For a Payment?

If you timely submitted a Claim Form pursuant to either: (1) the November 29, 2017 Notice (the "2017 Notice") related to the \$94 million settlement with Defendants Notice (the "2017 Notice") related to the \$94 million settlement with Defendants Barclays plc, Barclays Bank plc, and Barclays Capital Inc. (collectively, "Barclays"), the \$45 million settlement with HSBC Holdings plc and HSBC Bank plc (collectively, "HSBC"), and the \$170 million settlement with Deutsche Bank AG and DB Group Services (UK) Ltd. (collectively, "Deutsche Bank"); (2) the December 19, 2018 Notice (the "2018 Notice") related to the \$182.5 million settlement with Citigroup Inc. and Citibank, N.A. (collectively, "Citi") and JPMorgan Chase & Co. and JPMorgan Chase Bank, N.A. (collectively, "Citi") and JPMorgan"); and/or (3) the June 8, 2022 Notice (the "2022 Notice") related to the \$55 million settlement with Crédit Agricole S.A. and Crédit Agricole CIB (collectively, "Crédit Agricole"), then YOU DO NOT HAVE TO SUBMITA NEW CLAIM FORM TO PARTICIPATE in the Settlement with Société Générale. Any CLAIM FORM TO PARTICIPATE in the Settlement with Société Générale. Any Settlement Class Member who previously submitted a Claim Form in connection with the 2017 Notice, the 2018 Notice, and/or the 2022 Notice will be subject to and bound by the releases set forth in the Settlement Agreement with Société Générale, unless such member submits a timely and valid request for exclusion, explained

If you are a Settlement Class Member and have not previously submitted a Claim Form, you may seek to participate in the Settlement by submitting a Claim Form to the Claims Administrator at the address in the Settlement Notice postmarked no later the Claims Administrator at the address in the Settlement Notice postmarked no later than October 9, 2023. You may obtain a Claim Form on the Settlement Website or by calling the toll-free number referenced above. If you are a Settlement Class Member and do not file a Claim Form, you will still be bound by the releases set forth in the Settlement Agreement if the Court enters an order approving the

#### What Are Your Other Options?

Settlement Agreement.

All requests to be excluded from the Settlement must be made in accordance with the instructions set forth in the Settlement Notice and must be postmarked to the Claims Administrator no later than July 27, 2023. All requests for exclusion must comply with the requirements set forth in the Settlement Notice to be honored. The Settlement Notice, available at the Settlement Website, explains how to exclude yourself or object. If you exclude yourself from the Settlement Class, you will not be bound by the Settlement Agreement and can independently pursue claims at your own expense. However, if you exclude yourself, you will not be eligible to share in the Net Settlement Fund or otherwise participate in the Settlement.

The Court will hold a Settlement Hearing in this case on September 7, 2023 at 2:00 p.m. (ET), to consider whether to approve the Settlement and a request by the lawyers representing all Settlement Class Members (Lowey Dannenberg, P.C. and Lovell Stewart Halebian Jacobson LLP) for an award of attorneys' fees of no more than sixteen percent (16%), or \$16,800,000, of the Settlement Fund for investigating the facts, litigating the case, and negotiating the Settlement, and for reimbursement of their costs and expenses in the amount of no more than \$500,000. The Plaintiffs may submit an additional request for service awards in light of their continued commitment and contributions that led to this Settlement for the benefit of the putative class, but have agreed to limit any such request to no more than \$150,000. The lawyers for the Settlement Class may also seek additional reimbursement of costs and expenses in connection with services provided after the Settlement Hearing. These payments will also be deducted from the Settlement Fund before any distributions are made to the Settlement Class.

You may ask to appear at the Settlement Hearing, but you do not have to. For more toll-free information, call 800-492-9154 www.EuriborSettlement.com.

1 "Euribor Products" means any and all interest rate swaps, forward rate agreements, futures, options, structured products, and any other instrument or transaction related in any way to Euribor, including but not limited to, New York Stock Exchange ("NYSE") London International Financial Futures and Options Exchange ("LIFFE") Euribor futures contracts and options, Chicago Mercantile Exchange ("CME") Euro currency futures contracts and options, Euro currency forward agreements, Euribor-based swaps, Euribor-based forward rate agreements, and/or any other financial instruments that reference Euribor.

<sup>2</sup> The "Settlement Agreement" means the agreement between Plaintiffs and Société Générale entered into on March 31, 2023, and filed with the Court in this action

#### **MARKETS DIGEST**

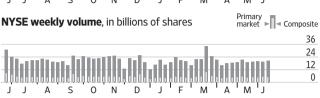
from ielts2.com

#### **Dow Jones Industrial Average**

THE WALL STREET JOURNAL.

Last Year ago **33876.78** ▲ 114.02, or 0.34% last week Trailing P/E ratio 22.56 17.88 P/E estimate \* 17.97 16.94 High, low, open and close for each of Dividend yield 2.11 2.22 the past 52 weeks All-time high 36799.65, 01/04/22

Current divisor 0.15172752595384 36000 200-day moving average 65-day 34500 33000 31500 DOWN UP 30000 Monday's open ▶ Friday's close Monday's open 28500 Week's low Bars measure the point change from Monday's open M J



Weekly P/E data based on as-reported earnings from Birinyi Associates Inc; †Based on Nasdaq-100 Index

#### S&P 500 Index

**4298.86** ▲16.49, or 0.39% last week Trailing P/E ratio \* 19.14 21.54 P/E estimate \* 19.52 17.65 High, low, open and close for each of Dividend yield \* 1.62 1.58 the past 52 weeks All-time high 4796.56, 01/03/22





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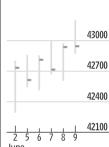
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#### Major IIS Stock-Market Indexes

Major U.S.	Stock	(-iviar	ket in	aexes	5						
			- Latest We				52-Week				chg —
Dow Jones	High	Low	Close	Net chg	% chg	Low	Close (●)	High	%chg	YTD	3-yr. ann.
Industrial Average	33975.32	33399.69	33876.78	114.02	0.34	28725.51	•	34589.77	7.9	2.2	7.5
Transportation Avg	14454.24	13810.71	14243.36	92.88	0.60	<b>5</b> 11999.40	•	15640.7	6.5	6.4	13.2
Utility Average	922.24	896.94	915.24	15.20	1.	<b>69</b> 838.99		1061.77	-6.6	-5.4	3.3
Total Stock Market	43203.77	42512.22	42944.93	211.63	0.50	36056.21	•	43441.8	9.3	11.5	9.5
Barron's 400	958.16	926.51	951.69	15.69	1.	<b>68</b> 825.73	•	1023.2	2.6	3.4	10.7
Nasdaq Stock Mark	et										
Nasdaq Composite	13385.95	13089.48	13259.14	18.38	0.14	10213.29	•	13276.42	16.9	26.7	10.0
Nasdaq-100	14672.85	14283.88	14528.36	-18.28	-0.13	10679.34	•	14558.09	22.8	32.8	13.4
S&P											
500 Index	4322.62	4261.07	4298.86	16.49	0.39	3577.03	•	4305.2	10.2	12.0	10.3
MidCap 400	2572.96	2466.55	2542.37	36.82	1.4	<b>47</b> 2200.75	•	2726.61	5.8	4.6	10.1
SmallCap 600	1222.88	1146.45	1201.43	19.72	1.	<b>67</b> 1064.45	•	1315.82	1.0	3.8	10.3
Other Indexes											
Russell 2000	1893.56	1797.27	1865.71	34.80	1	<b>.90</b> 1649.84	•	2021.35	3.6	5.9	7.4
NYSE Composite	15557.30	15258.92	15499.91	154.72	1.0	<b>1</b> 13472.18	•	16122.58	2.7	2.1	7.1
Value Line	561.27	542.93	556.66	6.71	1.2	491.56	•	606.49	0.1	3.8	5.0
NYSE Arca Biotech	5427.32	5334.79	5360.42	-11.61	-0.22	4208.43	•	5644.5	22.8	1.5	-1.6
NYSE Arca Pharma	867.57	850.90	862.01	5.45	0.64	737.84	•	892.45	6.6	-0.7	9.8
KBW Bank	83.22	78.75	82.09	1.81	2	<b>2.26</b> 71.96	•	115.55	-22.1	-18.6	-2.2
PHLX§ Gold/Silver	128.24	123.63	123.89	-1.45	-1.16	91.40	•	144.37	<b>-6.</b> 8	2.5	1.9
PHLX§ Oil Service	78.80	73.30	77.27	1.235	1.	<b>62</b> 56.08	•	93.94	-6.0	-7.9	21.7
PHLX§ Semiconducto	r 3580.43	3417.51	3524.97	23.57	0.67	<b>7</b> 2162.32	•	3549.39	24.5	39.2	20.8
Cboe Volatility	15.29	13.50	13.83	-0.77	-5.27	13.65	•	34.02	-50.2	-36.2	-20.5

Nasdaq Composite **18.38, or 0.14**% last week 13300 13200 13100 13000 DJ US TSM **211.63, or 0.50**% last week



#### International Stock Indexes

 $\S_{\mathsf{Nasdaq}\,\mathsf{PHLX}}$ 

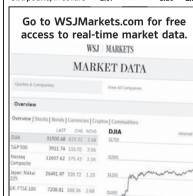
Region/Country	y Index	Close	% c	hg	Low		ose	High	% chg
World	MSCI ACWI	667.08		0.58	550.37		•	667.08	10.2
	MSCI ACWI ex-USA	301.52		0.93	244.35		•	308.27	7.2
	MSCI World	2885.63		0.43	2367.69		•	2885.63	10.9
	MSCI Emerging Markets	1002.33		1.83	842.76		0	1054.64	4.8
Americas	MSCI AC Americas	1629.66		0.42	1363.36		•	1639.98	11.8
Canada	S&P/TSX Comp	19892.06	-0.66		18206.28		•	20767.38	2.6
Latin Amer.	MSCI EM Latin America	2432.31		4.68	1912.59		•	2432.31	14.3
Brazil	BOVESPA	<b>117019.</b> 48		3.96	96120.85		•	119928.79	6.6
Chile	S&P IPSA	3216.20		0.66	3021.53	•		3546.47	1.4
Mexico	S&P/BMV IPC	54512.14		2.40	44626.80		•	55534.68	12.5
<b>EMEA</b>	STOXX Europe 600	460.01	-0.46		382.89		•	469.00	8.3
	STOXX Europe 50	3972.76	-0.64		3310.09			4079.60	8.8
Eurozone	Euro STOXX	453.67	-0.59		359.45			465.19	10.7
	Euro STOXX 50	4289.79	-0.78		3279.04		•	4408.59	13.1
Austria	ATX	3160.73		0.72	2647.43		•	3557.01	1.1
Belgium	Bel-20	3639.40		0.18	3313.82		•	3954.16	-1.7
France	CAC 40	7213.14	-0.79		5676.87		•	7577.00	11.4
Germany	DAX	15949.84	-0.63		11975.55		•	16275.38	14.6
Greece	Athex Composite	1261.67		3.60	779.20		•	1261.67	35.7
Israel	Tel Aviv	1794.25		3.75	1707.57	•		2067.23	-0.1
Italy	FTSE MIB	27162.02		0.35	20353		•	27949	14.6
Netherlands	AEX	759.32	-0.73		630.58		•	771.69	10.2
Norway	Oslo Bors All-Share	1402.80		1.09	1247.07		•	1476.42	2.9
Portugal	PSI 20	5966.71		1.10	5190.28		•	6269.69	4.2
South Africa	FTSE/JSE All-Share	76936.11	-0.25		63263.94		•	80791.36	5.3
Spain	IBEX 35	9309.70	-0.08		7261.1		•	9511.0	13.1
Sweden	OMX Stockholm	855.10		0.18	690.07		•	886.59	9.4
Switzerland	Swiss Market	11254.42	-1.65		10072.62		•	11595.25	4.9
U.K.	FTSE 100	7562.36	-0.59	l	6826.15		•	8014.31	1.5
Asia-Pacific	MSCI AC Asia Pacific	165.16		1.68	134.3		•	170.5	6.1
Australia	S&P/ASX 200	7122.50	-0.32		6433.4		•	7558.1	1.2
China	Shanghai Composite	3231.41		0.04	2893.48		•	3409.21	4.6
Hong Kong	Hang Seng	19389.95		2.32	14687.02		•	22688.90	-2.0
India	S&P BSE Sensex	62625.63		0.13	51360.42		•	63284.19	2.9
Japan	NIKKEI 225	32265.17		2.35	25716.86		•	32506.78	23.6
Malaysia	FTSE Bursa Malaysia KLCI	1376.08	-0.37		1373.36	•		1518.78	-8.0
Singapore	Straits Times	3186.97		0.65	2969.95		•	3394.21	-2.0
South Korea	KOSPI	2641.16		1.53	2155.49		•	2641.16	18.1

Latest Week

#### **Commodities and Currencies**

Sources: FactSet; Dow Jones Market Data

	— l Close	ast Wee Net chg	k —— %Chg	YTD % chg
DJ Commodity	947.54	-4.46	-0.47	-9.65
Refinitiv/CC CRB Index	260.53	0.85	0.33	-6.20
Crude oil, \$ per barrel	70.17	-1.57	-2.19	-12.57
Natural gas, \$/MMBtu	2.254	0.082	3.78	-49.63
Gold, \$ per troy oz.	1962.20	9.80	0.50	7.83
U.S. Dollar Index	103.56	-0.46	-0.44	0.03
WSJ Dollar Index	97.22	-0.54	-0.56	0.69
Euro, per dollar	0.9303	-0.0035	-0.37	-0.44
<b>Yen,</b> per dollar	139.38	-0.58	-0.42	6.30
U.K. pound, in dollars	1.26	0.0124	1.00	3.93
	Low	52-W		% Chg
		Close(  )		
DJ Commodity	930.59	•	1229.19	-22.91
Refinitiv/CC CRB Index	253.85	•	325.81	-20.03
Crude oil, \$ per barrel	66.74	•	120.93	-41.85
Natural gas, \$/MMBtu	1.991	0	9.680	-74.53
Gold, \$ per troy oz.	1623.30	•	2048.00	4.85
U.S. Dollar Index	101.01	•	114.10	-0.57
WSJ Dollar Index	94.37	•	105.14	0.49
Euro, per dollar	0.9038		1.0422	-2.16
Yen, per dollar	127.86	•	150.15	3.70
U.K. pound, in dollars	1.07	•	1.26	2.10



Forex Race

Yen, euro vs. dollar; dollar vs.

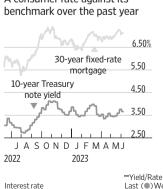
major U.S. trading partners

Taiwan TAIEX Source: FactSet; Dow Jones Market Data

#### **Consumer Rates and Returns to Investor Selected rates U.S.** consumer rates

16886.40

A consumer rate against its



30-year mortgage Rate

1.07

12666.12

Bankrate.com avg†:	7.14%
County Bank	5.00%
Rehoboth Beach, DE	302-226-9800
Lee Bank	5.63%
Lee, MA	800-843-4100
Cedar Rapids Bank and Trust Company	5.75%
Cedar Rapids, IA	319-862-2728
Jersey Shore State Bank	5.88%
Williamsport, PA	888-412-5772
The Home National Bank of Thorntown	5.88%
Thorntown, IN	765-436-2222

2022	2023	Thorntown, IN					765-436-2222		
Interest rate			tate (%) <del>-</del> ) Week ago		2-Week 0 2	Range (	(%) — 8 High	3-yr chg (pct pts)	
Federal-fu	nds rate target	5.00-5.25	5.00-5.25	0.75		•	5.25	5.00	
Prime rate	tr	8.25	8.25	4.00			8.25	5.00	
Libor, 3-mo	nth	5.54	5.50	1.74		•	5.54	5.23	
Money mai	rket, annual yield	0.54	0.54	0.08	•		0.54	0.25	
Five-year C	<b>D,</b> annual yield	2.81	2.82	1.01			2.84	2.05	
30-year mo	ortgage, fixed†	7.14	7.06	5.26			7.41	3.67	
15-year mo	rtgage, fixed†	6.53	6.54	4.62			6.65	3.69	
Jumbo mor	<b>tgages,</b> \$726,200-plus	7.20	7.08	5.19			7.44	3.68	
Five-year a	i <b>dj mortgage</b> (ARM)†	6.05	6.00	3.94		•	6.05	2.82	
New-car lo	an, 48-month	7.33	7.02	4.47			7.33	3.13	
Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.									

Sources: FactSet; Dow Jones Market Data; Bankrate.com

#### **Benchmark Yields and Rates**

**Treasury yield curve** Yield to maturity of current bills,

16922.48 19.4

notes and bonds 5.00% 4.00 Tradeweb ICE Friday Close



**Corporate Borrowing Rates and Yields** 

		Yiel	d(%)	Spread +/- in basis pts		Total Return		
	Bond total return index	Last	Wk ago	Last	Low	High	52-wk	3-yr
	U.S. Treasury, Bloomberg	4.200	4.130				-1.80	-4.39
	U.S. Treasury Long, Bloomberg	4.000	3.990				-7.24	-11.31
	Aggregate, Bloomberg	4.700	4.650	n.a.	44	69	-1.50	-3.76
	Fixed-Rate MBS, Bloomberg	4.650	4.680	n.a.	26	88	-1.88	-3.73
	High Yield 100, ICE BofA	7.993	8.019	373	321	552	5.497	2.263
	Muni Master, ICE BofA	3.347	3.366	0	-17	11	1.588	-0.730
•	EMBI Global, J.P. Morgan	7.769	7.792	382	353	496	2.533	-2.975

#### **New to the Market**

Last Year ago

Continued on page B8

#### **Public Offerings of Stock**

#### IPOs in the U.S. Market

 $Initial\ public\ of ferings\ of\ stock\ expected\ this\ week;\ might\ include\ some$ offerings, U.S. and foreign, open to institutional investors only via the Rule 144a market; deal amounts are for the U.S. market only

Expected pricing dat	e Filed	Issuer/business	Symbol/ primary exchange	Shares	Pricing Range(\$) Low/High	Bookrunner(s)
6/14	1/31	60 Degrees Pharmaceuticals Developer of therapeutic drugs and medicines treatment and prevention of tropical diseases.	<b>SXTP</b> Nq	1.4	5.30/ 5.30	WallachBeth Capital
6/14	5/19	Cava Group Operator of Mediterranean restaurants.	<b>CAVA</b> N	14.4	17.00/ 19.00	JPM, Jefferies, Citi, MS, Piper Sandler, R W Baird & Co, Stifel, W. Blair
Week of 6/12	2/21	Azitra Clinical stage biopharmaceutical company.	<b>AZTR</b> Nq	1.5	4.50/ 5.50	Fordham Financial Management
Week of 6/12	4/24	Branchout Food Branch Qut is an emerging natural food brand with a licensed technology platform that enables the manufacturing and marketing of plant-based dehydrated foods.	<b>BOF</b> Nq	1.1	6.00/ 8.00	Alexander Capital

#### **Lockup Expirations**

Below, companies whose officers and other insiders will become eligible  $\frac{1}{2} \left( \frac{1}{2} \right) = \frac{1}{2} \left( \frac{1}{2} \right) \left( \frac{1}{$ to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Lockup expiration	n Issue date		Symbol			Through Friday (%)	
June 12	Dec. 14, '22	Erayak Power Solution Group	RAYA	4.00	12.0	-46.5	180 days
June 17	Dec. 19, '22	Lipella Pharmaceuticals	LIPO	5.75	7.0	-65.9	180 days
		•		Sources:	Dealogic; [	Dow Jones N	∕larket Data

#### **IPO Scorecard**

Performance of IPOs, most-recent listed first

		% Chg	From			% Chg	From
Company <b>SYMBOL</b>	Friday's	Offer	1st-day	Company <b>SYMBOL</b>	Friday's	Offer	1st-day
IPO date/Offer price	close (\$)	price	close	IPO date/Offer price	close (\$)	price	close
Atmus Filtration Tech <b>ATMU</b> May 26/\$19.50	19.92	2.2	-8.0	Jayud Global Logistics <b>JYD</b> April 21/\$4.00	3.22	-19.5	-36.1
Inflection Point Acquisition IIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIII	10.12	1.2	0.5	U Power <b>UCAR</b> April 20/\$6.00	7.85	30.8	-81.8
CaliberCos CWD May 17/\$4.00	2.08	-48.0	-65.3	U.S. Gold Mining USGO April 20/\$10.00	12.19	21.9	33.2
Strong Global Entertainment SGE May 16/\$4.00	3.32	-17.0	-10.5	Wang & Lee Grp <b>WLGS</b> April 20/\$5.00	1.75	-65.0	-43.5
Acelryn <b>SLRN</b> May 5/\$18.00	18.70	3.9	-20.4	Top KingWin <b>TCJH</b> April 18/\$4.00	8.79	119.9	109.4
Alchemy Investments Acquisition <b>ALCYU</b> May 5/\$10.00	10.18	1.8	0.7	Trio Petroleum <b>TPET</b> April 18/\$3.00	1.42	-52.7	-37.4
Kenvue <b>KVUE</b> May 4/\$22.00	25.10	14.1	-6.7	CytoMed Thera <b>GDTC</b> April 14/\$4.00	2.88	-28.0	-28.0
Golden Star Acquisition <b>GODNU</b> May 2/\$10.00	10.25	2.5	1.0	VCI Global <b>VCIG</b> April 13/\$4.00	2.65	-33.8	-37.6
Interactive Strength TRNR April 28/\$8.00	5.22	-34.8	-21.0	Golden Heaven Grp Hldgs GDHG April 12/\$4.00	4.30	7.5	7.2
Ares Acquisition II  AACT.UT April 21/\$10.00	10.23	2.3	1.6	ARB IOT Grp <b>ARBB</b> April 5/\$4.00	3.22	-19.5	-16.4

Sources: Dow Jones Market Data; FactSet

#### A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA gained 114.02 points, or 0.34%, on the week. A \$1 change in the price of any DJIA stock = 6.59-point change in the average. To date, a \$1,000 investment on Dec. 31 in each current DJIA stock component would have returned \$31,326, or a gain of 4.42%, on the \$30,000 investment, including reinvested dividends

r-end (22)	00 Invested(yea	\$1.000			Action — Point cha		
,	\$1,000	Close	bol	Company	in average*	,	
\$993		\$336.02	5 5	Goldman Sachs	81.53	12.37	3.82
991		235.03	Т	Caterpillar	55.36	8.40	3.71
1,088		153.09	ИΤ	Walmart	28.14	4.27	2.87
930		35.47	Z	Verizon	5.87	0.89	2.57
985		135.30	M	IBM	18.98	2.88	2.17
919		160.01	J	Johnson & Johnson	20.04	3.04	1.94
1,171		171.72	Ρ	American Express	20.83	3.16	1.87
1,141		217.31	4	Boeing	26.30	3.99	1.87
902		158.86	Χ	Chevron	17.14	2.60	1.66
1,058		91.93	S	Walt Disney	7.65	1.16	1.28
1,624		215.31	М	salesforce.com	15.03	2.28	1.07
865		31.42	BA	Walgreens	1.52	0.23	0.74
955		297.35	)	Home Depot	9.29	1.41	0.48
1,068		141.01	M	JPMorgan Chase	3.56	0.54	0.38
848		218.76	GΝ	Amgen	4.55	0.69	0.32
947		175.60	V	Travelers	3.10	0.47	0.27
1,054		51.74	W	Dow	0.86	0.13	0.25
1,206		31.34	C	Intel	0.20	0.03	0.10
979		146.56	Ĝ	Procter & Gamble	0.26	0.04	0.03
1,397		180.96	PL	Apple	0.07	0.01	0.01
933		197.89	Ν	Honeywell	-6.33	-0.96	-0.48
1,059		49.66	0	Cisco	-2.37	-0.36	-0.72
1,100		286.79	D	McDonald's	-20.56	-3.12	-1.08
958		60.47	)	Coca-Cola	-4.55	-0.69	-1.13
934		493.62	Н	UnitedHealth Group	-39.28	-5.96	-1.19
1,005		110.71	RΚ	Merck	-11.93	-1.81	-1.61
910		105.86	Ε	Nike	-12.65	-1.92	-1.78
1,080		223.56	,	Visa	-34.47	-5.23	-2.29
1,369		326.79	FT	Microsoft	-56.75	-8.61	-2.57
857		99.90	M	3M	-17.33	-2.63	-2.57

Based on Composite price. DJIA is calculated on primary-market price. Source: Dow Jones Market Data; FactSet.

#### **Currencies**

U.Sdollar fore	ign-exch	ange ra	ates in	ı late New York t	rading		
			US\$vs,				US\$vs
Country/currency	in US\$	Fri per US\$	YTD chg (%)	Country/currency	in US\$	Fri per US\$	YTD cho
Americas				<b>Vietnam</b> dong	.00004259	23480	-0.6
Argentina peso	.0042	240.8260	36.3	Europe			
Brazil real	.2048	4.8820	-7.6	Czech Rep. koruna	.04538	22.037	-2.4
Canada dollar	.7491	1.3350	-1.5	<b>Denmark</b> krone	.1442	6.9331	-0.2
Chile peso	.001268	788.50	-7.0	Euro area euro	1.0750	.9303	-0.4
Colombiapeso	.000239	4185.50	-13.7	<b>Hungary</b> forint	.002920	342.46	-8.3
Ecuador US dollar	1	1	unch	Iceland krona	.007161	139.65	-1.3
Mexico peso	.0579	17.2819	-11.3	Norway krone	.0930	10.7581	9.7
Uruguay peso	.02569	38.9200	-2.6	Poland zloty	.2421	4.1307	-5.7
Asia-Pacific				Russia ruble	.01209	82.725	12.2
	(741	1 4025	1.1	Sweden krona	.0924	10.8275	3.7
Australiadollar	.6741	1.4835	3.3	Switzerland franc	1.1069	.9034	-2.3
China yuan	.1403	7.1286	0.4	Turkey lira	.0427	23.3995	25.2
Hong Kong dollar	.1276	7.8391	• • • •	Ukraine hryvnia	.0271	36.9500	0.3
India rupee	.01213	82.425		<b>UK</b> pound	1.2574	.7953	-3.8
Indonesia rupiah	.0000672	14889		Middle East/Afr	ica		
<b>Japan</b> yen	.007174	139.38	6.3 -3.5			2771	1-
Kazakhstan tenge	.002239	446.66		Bahrain dinar	2.6522	.3771	
Macau pataca	.1238	8.0790	0.4	Egypt pound		30.9429	
Malaysia ringgit	.2167	4.6140	4.7 3.7	Israel shekel		3.5861	1.7 0.4
New Zealand dollar		1.6337		Kuwait dinar	3.2545	.3073	
Pakistan rupee		286.950		Oman sul rial	2.5974		
Philippines peso		56.032	0.6	Qatar rial	.2746	3.641	
Singapore dollar	.7444	1.3434	0.2	Saudi Arabia riyal		3.7507	
South Korea won	.0007766		2.0	South Africa rand	.0534	18.7136	9.9
Sri Lanka rupee	.0033688	296.84			Close Net C	ha %Cha	VTD%Ch
Taiwan dollar	.03260	30.675	0.1	WSJ Dollar Index			0.69
Thailand baht	.02890	34.600	-0.1	w שווסע עכאי	97.22 0	LO 0.10	0.69

Thailand baht .02890 34.600 **-0.1** Sources: Tullett Prebon, Dow Jones Market Data

NAV Close / Disc Yld

NA NA NA

NA NA NA NA NA

NA NA NA NA NA NA NA

NA NA NA NA NA NA

NA

NA NA NA NA NA NA NA NA NA

NA NA NA NA NA

NA NA NA NA NA NA NA NA NA

NA NA NA NA NA NA NA NA NA NA NA NA

NA NA NA NA NA NA

NA NA NA NA

NA NA 9.91 9.91

10.00 NA NA

NA NA NA NA NA NA NA NA

NA NA NA NA

NA

NA NA NA

NA NA NA NA

NA NA NA NA NA

NA NA NA NA NA NA

5.0 4.4 5.3 NS 6.1 3.4 3.6

NA NA NA

NA NA

9.75 9.85 9.77 NA NA

NA 9.93 NA NA

NA

NA NA NA NA NS NS NS NS NA 8.5

10.5 10.6

9.8 8.0 7.8 7.7 NS NS 15.5 15.5

16.1

NA NA NA NA NA

NA NA NA NA NA NA NA NA

5.84 5.82 NA NA NA 9.6 10.6

#### **CLOSED-END FUNDS**

	52
Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited	Prem
number of shares and invest the proceeds in securities.	Fund (SYM) NAV Close /Disc
Unlike open-end funds, closed-ends generally do not buy their shares back from investors who wish to cash	ETnVncTxMqdBuyWrtInc ETB NA 13.35 NA
in their holdings. Instead, fund shares trade on a stock	EtnVncTxMqdBuyWrtOpp ETV NA 12.52 NA
exchange. <b>NA</b> signifies that the information is not available or not applicable. <b>NS</b> signifies funds not in	EvTxMnDvsEqInc ETY NA 11.99 NA
existence for the entire period. 12 month yield is	EtnVncTxMgdGlbB ETW NA 8.20 NA
computed by dividing income dividends paid (during the previous 12 months for periods ending at month-	EVTxMnGblDvEqInc <b>EXG</b> NA 7.95 NA
end or during the previous 52 weeks for periods	Ecofin S&S Impact Term <b>TEAF</b> NA 12.52 NA
ending at any time other than month-end) by the latest month-end market price adjusted for capital	First Trust Energy Inc G <b>FEN 15.09 12.88 -14.6 -</b>
gains distributions. Depending on the fund category,	First Tr Enhanced Eq FFA 18.11 17.40 -3.9
either 12-month yield or total return is listed.  Source: Lipper	FirstTrEnergyInfra <b>FIF</b> 16.78 14.32 -14.7 FirstTrMLPEner&Inc <b>FEI</b> 9.02 7.62 -15.5
Friday, June 9, 2023	Gabelli Healthcare <b>GRX</b> 11.84 9.83 -17.0
52 wk	Gab Utility <b>GUT</b> 3.33 6.98 109.6
Prem Ttl	GAMCOGIGold&NatRes <b>GGN</b> 3.94 3.77 -4.3
Fund (SYM) NAV Close /Disc Ret	J Han Finl Opptys BTO 25.21 28.53 +13.2 -
General Equity Funds	Neuberger Brmn MLP & El NML 7.73 6.61 -14.5
Adams Diversified Eq Inc ADX NA 16.19 NA 9.7	Neuberger Nxt Gen Conn NBXG 12.95 10.47 -19.2
Central Secs <b>CET</b> 43.04 35.60 -17.3 4.9	Nuv Dow 30 Dyn Overwrite <b>DIAX 16.09 14.43 -10.3</b>
CohenStrsCEOppFd <b>FOF</b> 10.70 10.91 +2.0 6.6 EVTxAdvDivIncm <b>EVT</b> NA 22.16 NA -3.2	NuvCorEqAlpha <b>JCE</b> 13.15 12.59 -4.3
EVTxAdvDivlncm <b>EVT</b> NA 22.16 NA -3.2 GabelliDiv&IncTr <b>GDV</b> 24.49 20.70 -15.5 3.2	Nuveen Nasdaq 100 Dyn Ov QQQX 24.23 25.56 +5.5 Nuv Real Est JRS 8.42 7.37 -12.5 -
Gabelli Equity Tr <b>GAB</b> 5.22 5.68 +8.8 -5.8	Nuveen RI Asst Inc & Gro JRI 13.54 11.33 -16.3 -
GeneralAmer <b>GAM</b> 49.25 40.44 -17.9 13.5	NuvS&P500DynOvFd <b>SPXX</b> 16.23 15.81 -2.6
JHancockTaxAdvDiv <b>HTD</b> 21.22 20.22 -4.7 -12.2	NuvSP500BuylncFd <b>BXMX 13.76 13.35 -3.0</b>
Liberty All-Star Equity USA 6.20 6.14 -1.0 2.4	ReavesUtilityIncome UTG 27.26 27.62 +1.3
Liberty All-Star Growth <b>ASG</b> 5.48 5.23 -4.6 -2.5	Tortoise Enrgy Infra Crp TYG NA 28.64 NA
Royce Micro-Cap Tr <b>RMT</b> 9.90 8.59 -13.2 3.3	Tortoise Midstream Enrgy NTG NA 33.76 NA
Royce Value Trust <b>RVT</b> 15.35 13.47 -12.2 -4.6	VDivInt&PremStr <b>NFJ</b> 13.78 11.82 -14.2
Source Capital <b>SOR</b> 42.18 38.00 -9.9 5.5 Sprott Focus Trust <b>FUND</b> 8.38 7.90 -5.7 0.5	V Art Int&Tech Opps <b>AIO</b> 19.37 17.58 -9.2
Sprott Focus Trust <b>FUND</b> 8.38 <b>7.90 -5.7 0.5</b> SRH Total Return <b>STEW 16.00 12.95 -19.1 6.1</b>	Income & Preferred Stock Funds CalamosStratTot CSQ 14.35 14.16 -1.3
Tri-Continental <b>TY</b> 30.29 26.46 -12.6 2.7	CohenStrsLtdDurPref&lnc LDP 19.52 18.33 -6.1
Specialized Equity Funds	CohenStrsSelPref&Income PSF 19.31 18.64 -3.5
abrdn Glb Prem Prop AWP 4.23 3.85 -9.0 -14.7	CohenStrsTaxAvPreSecs&l PTA 19.18 17.39 -9.3
Adams Natural Resources <b>PEO 24.48 20.46 -16.4 -6.8</b>	Dividend and Income DNI 17.23 NA NA
ASA Gold & Prec Met Ltd <b>ASA 18.19 15.46 -15.0 -16.4</b>	FirstTrIntDurPref&Inc FPF 17.42 15.57 -10.6 -
BR Enh C&I <b>CII</b> 18.83 18.49 -1.8 12.1	JHanPrefinc <b>HPI</b> 14.84 15.04 +1.3 -
BlackRock Energy & Res <b>BGR</b> 13.58 12.12 -10.8 -3.7 BlackRock Eq Enh Div <b>BDJ</b> 8.68 8.26 -4.8 -1.4	JHPrefincil <b>HPF</b> 14.72 14.75 +0.2 - HnckJPfdinco III <b>HPS</b> 13.26 13.95 +5.2 -
BlackRock Enh Glbl Div <b>BOE</b> 11.44 9.90 -13.5 4.1	HnckJPfdInco III <b>HPS</b> 13.26 13.95 +5.2 - J Han Prm <b>PDT</b> 11.69 11.66 -0.3 -
BlackRock Enh Intl Div <b>BGY</b> 6.17 5.41 -12.3 10.8	LMP CapInco <b>SCD</b> 14.55 12.36 -15.1
BlackRock ESG Cap All T <b>ECAT 17.76 15.74 -11.4 18.5</b>	Nuveen Multi-Asset Inc <b>NMAI</b> 13.78 11.60 -15.8
BlackRock Hlth Sci Term <b>BMEZ</b> 18.87 16.26 -13.8 10.5	Nuveen Pref & Inc Opp JPC 7.29 6.52 -10.6 -
BlackRock Hith Sciences BME 42.16 40.25 -4.5 1.7	Nuveen Fd <b>JPS</b> 7.35 6.55 -10.9
BlackRock Innov&GroTerm <b>BIGZ</b> 9.23 7.83 -15.2 4.0	Nuveen Pref & Inc Term <b>JPI</b> 18.10 17.41 -3.8
BlackRock Res & Comm <b>BCX</b> 10.57 9.13 -13.6 -11.8	Nuveen Var Rate P&I NPFD 18.34 15.84 -13.6 -
BlackRock Sci&Tech Term <b>BSTZ</b> 21.12 17.79 -15.8 -6.7 BlackRock Sci&Tech Trust <b>BST</b> 33.43 34.31 +2.6 7.3	TCW Strat Income TSI NA 4.71 NA Convertible Sec's. Funds
BlackRock Utl Inf & Pwr BUI 22,75 22.92 +0.7 8.0	AdvntCnvrtbl&IncFd AVK 12.46 11.58 -7.1
CLEARBRIDGEENGY MDS OPP <b>EMO</b> 33.47 29.15 -12.9 6.2	CalamosConvHi <b>CHY</b> 10.57 10.72 +1.4
CLEARBRIDGEMLP&MDSTMTR CTR 35.78 30.24 -15.5 5.1	CalmosConvOp <b>CHI</b> 10.01 10.63 +6.2
ClearBridge MLP & Midstm <b>CEM 39.28 33.35 -15.1 0.8</b>	Ellsworth G&I Fund Ltd ECF 9.69 8.38 -13.5
ChnStrInfr <b>UTF</b> 23.31 22.22 -4.7 -12.3	V Conv & Inc <b>NCV</b> 3.82 3.32 -13.1
Cohen&SteersQualInc <b>RQI</b> 12.37 11.40 -7.8 -10.3	V Conv & Inc II NCZ 3.40 2.97 -12.6
CohenStrs Real Est and I RLTY 15.70 13.54 -13.8 -9.3	V Div Inc & Conv ACV 20.69 19.57 -5.4
Cohen&Steers TotRet <b>RFI 11.60 11.49 -0.9 -7.0</b> CohenStrsREITPrefinc <b>RNP 19.81 18.74 -5.4 -4.2</b>	V Eqty & Conv Inc NIE 22.58 20.13 -10.9 World Equity Funds
Columbia Sel Prm Tech Gr STK 26.94 30.20 +12.1 23.7	abrdn Emg Mkts Eq Inc AEF 6.11 5.27 -13.7
DNP Select Income <b>DNP</b> 8.44 10.22 +21.1 0.8	abrdn Tot Dyn Div <b>AOD</b> 9.40 8.09 -13.9
Duff&PhUti&InfraIncFd <b>DPG</b> 11.38 12.88 +13.2 -4.9	Allspring GI Div Oppty <b>EOD</b> 4.87 4.22 -13.3
EtnVncEqtyInc <b>EOI</b> NA 15.71 NA 9.5	BlackRock Cap Alloc Term BCAT 17.24 15.20 -11.8
EtnVncEqtyIncoll <b>EOS</b> NA 17.19 NA 9.7	Calamos GloDynInc <b>CHW</b> 6.63 5.96 -10.1
EVRskMnDvsEqInc <b>ETJ</b> NA 8.13 NA 0.3	EVTxAdvGlbDivInc ETG NA 16.46 NA

				2 wk
Fund (SYM)			rem	Ttl
	VAV C			Ret
ETnVncTxMgdBuyWrtInc ETB		13.35		-2.6
EtnVncTxMgdBuyWrtOpp <b>ETV</b> EvTxMnDvsEqInc <b>ETY</b>	NA NA	12.52	NA	-1.4
				7.3
EtnVncTxMgdGlbB <b>ETW</b>			NA NA	5.5 5.0
EVTxMnGblDvEqInc EXG				
Ecofin S&S Impact Term <b>TEAF</b> First Trust Energy Inc G <b>FEN</b>		12.52	NA	-5.1 -13.9
First Tr Enhanced Eq <b>FFA</b>				6.8
FirstTrEnergyInfra FIF				-0.3
FirstTrMLPEner&Inc FEI			-15.5	-2.6
Gabelli Healthcare <b>GRX</b>			-17.0	-6.7
Gab Utility <b>GUT</b>	3.33		109.6	16.6
GAMCOGIGold&NatRes GGN			-4.3	2.9
J Han Finl Opptys BTO			+13.2	-19.0
Neuberger Brmn MLP & El NML		6.61	-14.5	3.2
Neuberger Nxt Gen Conn NBXG			-19.2	11.5
Nuv Dow 30 Dyn Overwrite DIAX			-10.3	-2.8
NuvCorEgAlpha <b>JCE</b>		12.59	-4.3	6.5
Nuveen Nasdag 100 Dyn Ov QQQX			+5.5	17.4
Nuv Real Est <b>JRS</b>	8.42	7.37	-12.5	-19.8
Nuveen RI Asst Inc & Gro JRI			-16.3	-11.0
NuvS&P500DynOvFd SPXX	16.23	15.81	-2.6	3.4
NuvSP500BuyIncFd <b>BXMX</b>	13.76	13.35	-3.0	6.9
ReavesUtilityIncome UTG	27.26	27.62	+1.3	-9.6
Tortoise Enrgy Infra Crp TYG	NA	28.64	NA	-8.5
Tortoise Midstream Enrgy NTG		33.76	NA	-2.2
VDivInt&PremStr <b>NFJ</b>			-14.2	4.8
V Art Int&Tech Opps AIO			-9.2	13.2
Income & Preferred S				
CalamosStratTot CSQ			-1.3	9.6
CohenStrsLtdDurPref&Inc LDP			-6.1	-3.2
CohenStrsSelPref&Income PSF			-3.5	-5.9
CohenStrsTaxAvPreSecs&l PTA			-9.3	-4.6
Dividend and Income DNI		NA 15.53	NA	NA
FirstTrIntDurPref&Inc FPF JHanPrefInc HPI		15.57	-10.6 +1.3	-13.4 -10.2
JHPrefincii HPF		14.75	+0.2	-10.2
HnckJPfdInco III HPS		13.95	+5.2	-12.9
J Han Prm PDT		11.66	-0.3	-17.2
LMP Caplnco SCD		12.36		-0.4
Nuveen Multi-Asset Inc NMAI			-15.8	-4.1
Nuveen Pref & Inc Opp JPC		6.52	-10.6	-12.2
Nuveen Fd <b>JPS</b>	7.35	6.55	-10.9	-5.5
Nuveen Pref & Inc Term JPI			-3.8	-7.4
Nuveen Var Rate P&I NPFD				-11.8
TCW Strat Income TSI				3.0
Convertible Sec's. Fur				
AdvntCnvrtbl&IncFd AVK	12.46	11.58	-7.1	-6.5
CalamosConvHi CHY	10.57	10.72	+1.4	-3.0
CalmosConvOp CHI	10.01	10.63	+6.2	2.3
Ellsworth G&I Fund Ltd ECF	9.69	8.38	-13.5	-1.8

Wednesday, June 14

Thursday, June 15

Auction of 17 week bill;

Auction of 4 and 8 week bill;

V Eqty & Conv Inc NIE 22.58 20.13 -10.9 11.7

BlackRock Cap Alloc Term **BCAT** 17.24 15.20 -11.8 10.0 Calamos GloDynInc **CHW** 6.63 5.96 -10.1 -8.3

announced on June 13; settles on June 20

announced on June 13; settles on June 20

5.5 -1.6

			rem	2 wk Ttl
Fund (SYM)				
EtnVncTxAdvOpp <b>ET</b>	O NA	22.46	NA	1.7
FirstTr Dyn Euro Eq Inc FDE	U 13.52	12.75	-5.7	17.6
Gabelli Multimedia GG				-4.3
GDL Fund GDL			-22.0	
Highland Global Alloc HGI	<b>B</b> 11.32	8.64	-23.7	-8.0
India Fund IFN	16.07	15.59	-3.0	9.1
Japan Smaller Cap JO	F 8.58	7.36	-14.2	14.5
LazardGlbTotRetInc Lo	GI 16.94	14.75	-12.9	3.4
Mexico MXF	NA	17.20	NA	22.0
Miller/Howard High IncE H MS ChinaShrFd CAF MS India IIF	IE NA	9.97	NA	4.5
MS ChinaShrFd CAF	NA	13.00	NA	-17.2
MS India IIF	NA	20.90	NA	10.3
MS CBRE Gl In Mg ME	GI 16.60	13.84	-16.6	-15.0
Templeton Dragon TD	F 10.74	9.22	-14.2	-21.8
Templeton Em Mkt EN	IF 13.79	11.86	-14.0	4.2
			rem1	
Fund (SYM)	NAV (	lose /	Disc	Yld
U.S. Mortgage Bond				
BlckRk Income BKT	12.94	12.30	-4.9	8.5
Invesco HI 2023 Tgt Term IH	IT NA	7.64	NA	5.7
<b>Investment Grade B</b>	ond Fu	nds		
Angel Oak FS Inc Trm FIN	IS 13.77	12.03	-12.6	10.0
BIRck Core Bond BHI	K 10.94	10.58	-3.3	8.4
BR Credit Alloc Inc BT	<b>Z</b> 11.22	10.13	-9.7	9.7
InvescoBond VBF J Han Income JHS MFS Intmdt MIN	NA	14.98	NA	5.2
J Han Income JHS	NA	10.77	NA	4.7
J Han Income <b>JHS</b> MFS Intmdt <b>MIN</b>	2.96	2.87	-3.0	0.0
Western Asset Inf-Lk Inc W	IA 9.78	8.44	-13.7	15.3
Western Asset Inf-Lk Inc W Western Asset Inf-Lk O&I WI	w 10.46	8.97	-14.2	12.6
Westn Asst IG Def Opp Tr I				
Loan Participation F		10.55		
Apollo Senior Floating AF	T NA	12.51	NA	10.1
BR Debt Strategy DS	U 10.67	9.45	-11.4	9.1
BR F/R Inc Str <b>FRA</b>	13.05	11.87	-9.0	8.5
BlackRock Floating Rt Inc BC	T 12.67	11.42	-9.9	8.7
				8.8
Blackstone Sr FI Rt Tm BS				
Blackstone Sr FI Rt Tm BS				
Blackstone Strat Cr BG	<b>B</b> 12.28	10.55	-14.1	9.1
Blackstone Strat Cr <b>BG</b> Eagle Point Credit <b>EC</b>	B 12.28	10.55 10.66	-14.1 NA	9.1 24.0
Blackstone Strat Cr <b>BG</b> Eagle Point Credit <b>EC</b>	B 12.28	10.55 10.66	-14.1 NA	9.1 24.0 9.3
Blackstone Strat Cr BG Eagle Point Credit EC EtnVncFltRteInc EF EV SenFIRtTr EFR	iB 12.28 IC NA IC NA NA	10.55 10.66 11.47 11.53	-14.1 NA NA NA	9.1 24.0 9.3 9.4
Blackstone Strat Cr BG Eagle Point Credit EC EtnVncFltRteInc EFT EV SenFlRtTr EFR FT/Sr Fltg Rte Inc 2 FC	B 12.28 C NA F NA NA T 11.00	10.55 10.66 11.47 11.53 9.59	-14.1 NA NA NA -12.8	9.1 24.0 9.3 9.4 9.2
Blackstone Strat Cr BG Eagle Point Credit EC EtnVncFltRteInc EFT EV SenFIRtTr EFR FT/Sr Fltg Rte Inc 2 FC Highland Income HFR	B 12.28 C NA F NA NA T 11.00 O 13.59	10.55 10.66 11.47 11.53 9.59 9.25	-14.1 NA NA NA -12.8 -31.9	9.1 24.0 9.3 9.4 9.2 10.4
Blackstone Strat Cr BG Eagle Point Credit EC EtnVncFltRteInc EFT EV SenFlRtTr EFR FT/Sr Fltg Rte Inc 2 FC	B 12.28 C NA F NA NA T 11.00 O 13.59	10.55 10.66 11.47 11.53 9.59 9.25	-14.1 NA NA NA -12.8 -31.9	9.1 24.0 9.3 9.4 9.2 10.4 NA

NuvrioatRateincrd <b>JFR</b>	9.07	7.89	-13.U	10.8
NuvFloatRteIncOppty JRO	8.96	7.68	-14.3	11.0
Nuveen Senior Income NSL	5.28	4.53	-14.2	11.0
High Yield Bond Funds	S			
AllianceBernGlHilncm AWF	10.54	9.62	-8.7	9.1
Allspring Income Oppty EAD	7.10	6.26	-11.8	10.5
Barings Glb SD HY Bd BGH	NA	12.95	NA	9.96
BR Corporate HY HYT	9.39	8.73	-7.0	10.9
BlackRock Ltd Dur Inc BLW	13.64	12.71	-6.8	9.3
Brookfield Real Asst Inc RA	15.04	16.93	+12.6	14.7
CrSuisHighYld <b>DHY</b>	NA	1.89	NA	9.7
DoubleLine Inc Sol <b>DSL</b>	11.75	11.90	+1.3	13.2
DoubleLine Yld Opps <b>DLY</b>	15.10	14.37	-4.8	10.0
First Tr Hi Inc Lng/Shrt FSD	12.49	11.24	-10.0	11.3
First Trust HY Opp:2027 FTHY	15.48	13.64		11.4
Franklin Univ <b>FT</b>				7.6
KKR Income Opportunities KIO		11.19		11.7
Nuveen Global High Inc JGH				11.9
PGIM Global High Yield GHY				11.6
PGIM High Yield Bond ISD				10.3
PGIM Sh Dur Hi Yld Opp <b>SDHY</b>		14.75	-13.7	8.8
PioneerHilncm PHT			-11.8	10.6
WstAstHIF II <b>HIX</b>	4.70	4.84	+3.0	13.0
Western Asset Hi Inc Opp HIO			-10.9	9.6
Western Asset Hi Yld D O HYI	12.33	11.51	-6.7	9.9
Other Domestic Taxal	ole Bo	nd Fu	nds	

NuvFloatRateIncFd JFR 9.07 7.89 -13.0 10.8

Allspring Multi-Sector **ERC** 9.86 8.89
Apollo Tactical Income **AIF** NA 12.27 -9.8 NA 11.2 Ares Dynamic Crdt Alloc ARDC NA 11.95
BlackRock Mlt-Sctr Inc BIT 14.53 14.39 10.3 BlackRock Tax Muni Bd BBN 17.88 16.54 DoubleLine:Oppor Crdt Fd DBL 14.36 14.62 EVLmtDurlncm **EVV** NA 9.14 NA Franklin Ltd Durlncome **FTF** 7.09 6.08 -14.2 J Han Investors **JHI** 13.82 12.51 -9.5 11.9 8.2 0.0 MFS Charter **MCR** 6.80 6.13 -9.9 0.0 NuvCorePlusImpact **NPCT** 11.89 10.05 -15.5 11.8

Nuveen Taxable Muni Inc NBB 16.86 15.41

No. of shrs in Price range (\$) \$ Value Title trans(000s) in transaction (000s) Close (\$) Ytd (%)

17.85

New	to	the	Marke	t
Dubli		~ d D	vivrata I	-

#### **Public and Private Borrowing**

#### **Treasurys**

Monday, June 12 Auction of 13 and 26 week bills; announced on June 8; settles on June 15 Auction of 3 year note;

announced on June 8; settles on June 15 Tuesday, June 13 Auction of 52 week bill;

announced on June 8; settles on June 15

**Insider-Trading Spotlight** Trading by 'insiders' of a corporation, such as a company's CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days. Here's a look at the biggest individual trades by insiders, based on data received by

Refinitiv on June 9, and year-to-date stock performance of the company KEY: B: beneficial owner of more than 10% of a security class CB: chairman CEO: chief executive officer CFO: chief financial officer CO: chief operating officer D: director DO: director and beneficial owner GC: general counsel H: officer, director and beneficial owner l. indirect transaction filed through a trust, insider spouse, minor child or other 0: of ficer 0D: of ficer and director P: president UT:unknown VP: vice president Excludes pure options transactions

Symbol Insider

#### Biggest weekly individual trades

Based on reports filed with regulators this past week

		-							
Buyer	'S								
June 6	Satsuma Pharmaceuticals	STSA	K. Takanashi	DOI	22,054	.91	20,069		
May. 31-June	2 <b>Loews</b>	L	B. Tisch	0	330	56.36-57.88	18,781	59.34	1.7
June 2-6	Diversified Healthcare Trust	DHC	A. Portnoy	DI	5,547	1.69-1.87	9,810	2.66	311.3
May. 31	Lyra Therapeutics	LYRA	E. Anderson	DOI	1,805	2.43	4,387	2.90	-7.6
June 1-5	StepStone Group	STEP	M. Mccabe	Н	95	22.83-23.57	2,214	24.95	-0.9
May. 30-Jun	e 1 <b>Grocery Outlet Holding</b>	GO	E. Ragatz	DI	70	27.99-29.00	1,995	27.94	-4.3
June 8	Topgolf Callaway Brands	MODG	A. Ogunlesi	DI	100	19.45	1,945	19.64	-0.6
June 1	DISH Network	DISH	J. Defranco	D	300	6.00	1,800	6.55	-53.3
June 1	M&T Bank	МТВ	D. Bible	CFO	10	120.40-121.35	1,206	126.92	-12.5
June 5	Zumiez	ZUMZ	R. Brooks	CEO	75	13.57	1,017	14.70	-32.4
June 6-7	ACI Worldwide	ACIW	T. Warsop	CEO	43	23.59-24.16	1,016	23.55	2.4
May. 31	Domo	DOMO	D. Daniel	DI	51	13.42	678	14.42	1.3
June 5	Planet Fitness	PLNT	C. Rondeau	CEOI	10	64.99	650	67.27	-14.6
June 1-5	Globalstar	GSAT	J. Monroe	DOI	531	1.10-1.15	604	1.22	-8.3
May. 30	Ziff Davis	ZD	V. Shah	CEOI	10	58.86	589	65.90	-16.7
May. 30	Everbridge	EVBG	D. Henshall	D	20	23.24	465	26.26	-11.2
June 2	Chicken Soup For The Soul Entertai	nment CSSEP	C. Denicola	D	27	15.33	414	15.00	-31.2

Genesco

Date(s)

Company

Seller	5								
June 6-7	Palo Alto Networks	PANW	N. Arora	CEO	550	216.60-226.11	120,759	220.10	57.7
June 5-7 June 5-7 June 5-7	Walmart	WMT	S. Walton A. Walton J. Walton	DOI BI BI	721 721 721	150.04-150.17 150.04-150.17 150.04-150.17	108,167 108,167 108,167	153.09	8.0
May. 31	Under Armour	UA	K. Plank	НІ	16,000	6.13	98,080	6.85	-23.2
June 2 June 2	AerSale	ASLE	M. Kirton J. Seiffer	DOI DOI	4,000 4,000	15.00 15.00	60,000 60,000	14.88	-8.3
May. 31	Snowflake	SNOW	J. Mcmahon	D	230	162.55-165.11	37,547	170.65	18.9
June 6-7	Medpace Holdings	MEDP	A. Troendle	CEOI	169	220.46-223.05	37,545	207.86	-2.1
May. 31	Airbnb	ABNB	J. Gebbia	DOI	350	103.83-108.07	37,042	117.86	37.8
June 6	Advanced Micro Devices	AMD	L. Su	CEO	300	118.42-124.14	36,790	124.92	92.9
June 8	Cadre Holdings	CDRE	W. Kanders	CEOI	1,725	19.00	32,775	20.07	-0.3
June 5	Salesforce	CRM	S. Tallapragada	Р	150	210.62-210.63	31,665	215.31	62.4
June 5-6	Eaton Corporation	ETN	C. Arnold	OD	170	183.71-185.13	31,224	187.30	19.3
June 2-5	Treace Medical Concepts	TMCI	F. Bays	FO	1,091	26.51	28,918	25.88	12.6
June 2	NVIDIA	NVDA	H. Jones	DI	70	405.00	28,433	387.70	165.3
June 2-6	Ares Management	ARES	M. Arougheti	CEOI	263	90.00-91.29	23,873	92.22	34.7
June 5-6	Vertiv Holdings	VRT	P. O'Doherty	OI	910	20.06-20.13	18,302	21.19	55.1

M. Diamond

\* Half the transactions were indirect \*\*Two day transaction p - Pink Sheets

#### Buying and selling by sector

Based on actual transaction dates in reports received this past week

Sector	Buying	Selling	Sector	Buying	Selling
Basic Industries	89,268	14,306,607	Finance	5,899,288	118,339,222
Capital Goods	1,463,712	137,754,772	Health care	7,441,658	222,332,020
Consumer durables	2,399,327	25,780,453	<b>Public Utilities</b>	64,721	6,350,931
Consumer non-durables	124,634	43,026,606	Technology	3,378,302	499,677,552
Consumer services	8,922,948	107,423,113	Transportation	168,500	6,524,216
Energy	526,564	13,381,827			

Sources: Refinitiv; Dow Jones Market Data

Prem12 Mo Fund (SYM) NAV Close / Disc YId	52 wk Prem Ttl	Fund (SYM) NAV Clo
PIMCO Corp & Inc Oppty <b>PTY 10.85 13.10 +20.7 12.3</b>	Fund (SYM) NAV Close /Disc Ret	Invesco Sr Loan C 5.84
PIMCO Corp & Inc Strat <b>PCN</b> 11.14 12.51 +12.3 11.9	General Equity Funds Alternative Strategies:   5,05 NA NA 0,5	Invesco Sr Loan IB 5.82
PIMCOHilnco <b>PHK</b> 4.52 4.72 +4.4 12.1 PIMCO IncmStrFd <b>PFL</b> 7.79 7.98 +2.4 12.4	Alternative Strategies: 5.05 NA NA 0.5  Specialized Equity Funds	Invesco Sr Loan IC 5.82 Invesco Sr Loan Y 5.82
PIMCO IncmStrFd    <b>PFN</b> 6.86 7.05 +2.8 12.3	ARK Venture 20.45 NA NA NS	Lord Abbett FR Hi Inc: A 9.97
Putnam Prem Inc <b>PPT</b> 3.84 3.58 -6.8 8.6	ArrowMarkFinancialCorp BANX NA 16.26 NA NA BluerockTotalInc+RE:A 33.16 NA NA -6.9	Lord Abbett FR Hi Inc: 1 9.97 Monachil Credit Income: 1 10.08
Western Asset Dysfd Inc WDI 15.08 13.25 -12.1 11.6	Bluerock Total Inc+ RE:C 30.99 NA NA -7.6	Nomura Alt Inc;I 10.09
World Income Funds abrdn AP IncFd FAX 3.14 2.72 -13.4 12.0	Bluerock Total Inc+ RE: 34.01 NA NA -6.7	OFS Credit Company OCCI NA 9
MS EmMktDomDebt <b>EDD</b> 5.56 4.83 -13.1 6.2	Bluerock Total Inc+ RE: L 32.66 NA NA -7.2 Bluerock Total Inc+ RE: M 31.11 NA NA -7.4	Yieldstreet Prism NA High Yield Bond Funds
PIMCO Access Income <b>PAXS</b> 15.07 14.45 -4.1 15.7	CBRE GIBRIEST <b>IGR</b> 6.00 5.26 -12.3 -13.2	Apollo Diversified Cd:A NA
PIMCO Dynamic Income <b>PDI 17.35 18.46 +6.4 18.0</b> PIMCO Dynamic Inc Opp <b>PDO 12.83 12.90 +0.5 19.7</b>	Clarion Partners REI D 12.20 NA NA 3.1	Apollo Diversified Cd:C NA Apollo Diversified Cd:F NA
PIMCO Stratg Inc <b>RCS</b> 4.34 5.21 +20.0 12.4	Clarion Partners REI 1 12.22 NA NA 3.5 Clarion Partners REI S 12.22 NA NA 2.4	Apollo Diversified Cd:F NA Apollo Diversified Cd:I NA
Templeton Em Inc <b>TEI</b> 5.72 5.10 -10.8 11.7	Clarion Partners REIT 12.19 NA NA 2.5	Apollo Diversified Cd:L NA
Templtn Glbl Inc <b>GIM</b> 4.62 4.20 -9.1 9.2 WstAstEmergDebt <b>EMD</b> 9.97 8.67 -13.0 11.0	Forum RE Income;I 9.13 NA NA NS NexPointRIEstStrat;A 19.20 NA NA -6.4	Apollo Diversified Cd:M NA Opprtnstc Crdt Intrvl;I 12.26
Western Asset GICr D Op <b>GDO 12.83 12.23 -4.7 9.96</b>	NexPointRiestStrat;C 19.43 NA NA -7.2	Peak Income Plus 10.00
National Muni Bond Funds	NexPointRlEstStrat;Z 19.44 NA NA -6.1	PIMCO Flexible Cr I;A-1 6.91
AllBerNatlMunInc <b>AFB</b> 12.28 10.66 -13.2 4.4 BlckRk Inv Q Mun <b>BKN</b> 13.08 11.40 -12.8 5.5	PIMCO Flexible REI;Inst 10.27 NA NA NS PREDEX;I 28.05 NA NA -8.3	PIMCO Flexible Cr I;A-2 6.91 PIMCO Flexible Cr I;A-3 6.91
BlckRk Inv Q Mun <b>BKN</b> 13.08 11.40 -12.8 5.5 BlackRock Muni 2030 Tqt <b>BTT</b> 23.37 20.84 -10.8 3.4	PREDEX;T 28.21 NA NA -8.4	PIMCO Flexible Cr I; A-4 6.91
BlackRock Muni <b>BFK</b> 11.56 9.88 -14.5 4.7	PREDEX;W 28.20 NA NA -8.5	PIMCO Flexible Cr I;Inst 6.91
BlackRock Muni II <b>BLE</b> 11.99 10.29 -14.2 5.0	Principal Dvs Sel RA A 25.28 NA NA -0.6 Principal Dvs Sel RA Ins 25.38 NA NA -0.2	Other Domestic Taxable Bond AFA MMC;Fndr 9.41
BlckRk Muni Inc Qly <b>BYM</b> 12.65 11.15 -11.9 5.0 BR Muni Assets Fd <b>MUA</b> 11.39 10.27 -9.8 5.4	Principal Dvs Sel RA Y 25.59 NA NA -0.1	AFA MMC;Inst 9.45
BR MH Qly 2 <b>MUE</b> 11.34 9.71 -14.4 5.0	SS Priv Venture & Gr:D NA NA NA NS	Alternative Credit Inc:A 9.75
BR MuniHoldngs <b>MHD</b> 13.50 11.59 -14.1 4.9	SS Priv Venture & Gr:I NA NA NA NS SS Priv Venture & Gr:S NA NA NA NS	Alternative Credit Inc:C 9.85 Alternative Credit Inc:I 9.77
BR MuniVest Fd <b>MVF</b> 7.83 6.69 -14.6 4.7	SS Priv Venture & Gr;T NA NA NA NS	Alternative Credit Inc:L 9.75
BR MuniVest 2 <b>MVT</b> 12.24 10.53 -14.0 4.7 BR MuniYield Fd <b>MVD</b> 12.05 10.36 -14.0 5.1	The Private Shares; A 39.98 NA NA -6.4	Alternative Credit Inc:W 9.75 Angel Oak Str Crdt:FI 20.33
BR MuniYield Qlty <b>MQY</b> 13.12 11.49 -12.4 5.2	The Private Shares; I 40.57 NA NA -6.2 The Private Shares; L 39.42 NA NA -6.7	Angel Oak Str Crdt:Inst 20.33
BR MuniYld Qlty2 <b>MQT</b> 11.63 10.13 -12.9 5.2	Thirdline Real Estatel 10.11 NA NA 6.4	BR Credit Strat;A 8.63
BR MuniYld Qly 3 MYI 12.42 10.88 -12.4 4.9	USQ Core Real Estate: 27.28 NA NA -7.8	BR Credit Strat;Inst 8.60 BR Credit Strat;U 8.63
BNY Mellon Muni Bd Infra <b>DMB</b> 11.82 10.74 -9.1 5.1 BNY Mellon Str Muni Bond <b>DSM</b> 6.60 5.67 -14.1 5.4	USQ Core Real Estate: S 27.34 NA NA -7.8 Versus Cap MMgr RE Incil 27.50 NA NA NE	BR Credit Strat;W 8.63
BNY Mellon Strat Muni <b>LEO</b> 6.86 6.12 -10.8 5.1	Versus Capital Real Asst 27.49 NA NA 3.7	BlackRock Mlt-Sctr Oppty 66.84
DWS Muni Inc <b>KTF</b> NA 8.59 NA 4.2	Wildermuth:A 10.03 NA NA -24.3	BlackRock Mlt-Sec Opp II 69.38 CION Ares Dvsfd Crdt;A NA
EVMuniBd <b>EIM</b> 11.42 9.94 -13.0 4.5 EVMunilncm <b>EVN</b> 11.22 9.88 -11.9 5.2	Wildermuth: 9.43 NA NA -24.9 Wildermuth: 10.15 NA NA -24.2	CION Ares Dvsfd Crdt;C NA
EVNatMuniOpp <b>EOT</b> 18.22 17.55 -3.7 4.2	Income & Preferred Stock Funds	CION Ares Dysfd Crdt;I NA
InvAdvMuIncTrII VKI NA 8.42 NA 5.4	Alpha Alternative Assets 6.41 NA NA -1.5 Calamos L/S Eqty and DI CPZ 17.91 15.24 -14.9 2.4	CION Ares Dvsfd Crdt;L NA CION Ares Dvsfd Crdt;U NA
Invesco MuniOp OIA NA 6.14 NA 5.5	Carlyle Alpiny Pyt Mkt: NA NA NA NS	CION Ares Dvsfd Crdt:U2 NA
InvescoMuOppTr VMO NA 9.48 NA 5.2 InvescoMuTr VKQ NA 9.44 NA 5.3	Constitution Cap Acs A NA NA NA NS	CION Ares Dvsfd Crdt;W NA
InvescoQual Inc IQI NA 9.44 NA 5.3	Constitution Cap Acs D NA NA NA NS Flat Rock Opportunity 17.94 NA NA -0.3	CNR Select Strategies 12.57 First Eagle Crdt Opps A 23.45
InvTrInvGrMu VGM NA 9.76 NA 5.2	Flat Rock Opportunity 17.94 NA NA -0.3 Lord Abbett Spec Sit I:A 8.97 NA NA 3.2	First Eagle Crdt Opps A2 23.41
InvescoValMuninc IIM NA 11.73 NA 5.4  MAINSTAY:MKDEFTRMUNOP MMD 17.09 17.47 +2.2 5.7	Lord Abbett Spec Sit I:I 8.97 NA NA 3.9	First Eagle Crdt Opps I 23.36 First Trust Private Cr;A NA
NeubrgrBrm <b>NBH</b> 11.87 10.43 -12.1 5.4	Variant Altrntv Inc:Inst 29.22 NA NA 8.8 Variant Impact;Instl 27.24 NA NA 10.0	First Trust Private Cr;l 10.12
Nuveen AMT-Fr Mu Val <b>NUW 15.05 13.71 -8.9 3.4</b>	Convertible Sec's. Funds	Franklin BSP Pvt Cr:A 10.17
Nuveen AMT-Fr Qlty Muni NEA 12.60 10.81 -14.2 4.8	Calmos Dyn Conv and Inc <b>CCD</b> 19.55 23.49 +20.2 0.9	Franklin BSP Pvt Cr.Adv 10.17 GL Beyond Income 0.41
Nuveen AMT-Fr Mu CI <b>NVG</b> 13.43 11.60 -13.6 5.5 Nuveen Dyn Muni Opp <b>NDMO</b> 10.95 10.47 -4.4 8.2	World Equity Funds ACAP Strategic:A 16.94 NA NA 8.2	KKR CREDIT OPPTY;D NA
Nuveen Mu Crdt Opps <b>NMCO</b> 11.94 11.34 -5.0 6.0	ACAP Strategic:W 12.65 NA NA 9.0	KKR CREDIT OPPTY;I NA
Nuv Muni Credit Income <b>NZF</b> 13.47 11.59 -14.0 5.2	CalamosGlbTotRet <b>CGO</b> 10.17 9.24 -9.1 3.3	KKR CREDIT OPPTY;T NA KKR CREDIT OPPTY;U NA
NuvMuniHilncOpp <b>NMZ</b> 11.08 10.68 -3.6 6.0 Nuveen Muni Val <b>NUV</b> 9.28 8.78 -5.4 3.8	Cantor Fitzgerald SI:A 10.40 NA NA NS Cantor Fitzgerald SI:C 10.36 NA NA NS	Palmer Square Opp Inc 16.85
Nuveen Quality Muni Inc <b>NAD</b> 13.00 11.16 -14.2 4.9	Cantor Fitzgerald SI:I 10.38 NA NA NS	The Finite Solar Finance 9.98  World Income Funds
Nuveen Sel TF <b>NXP</b> 14.41 14.47 +0.4 3.8	Primark Priv Eq Inv:l 11.44 NA NA -0.3 Sweater Cashmere 20.72 NA NA 3.8	BlueBay Destra Itl E:A 22.96
PIMCO Munilno PMF NA 10.05 NA 5.9	Thornburg Inc Bldr Opps <b>TBLD.0</b> 17.48 15.02 -14.1 9.7	BlueBay Destra Itl E:I 22.99
PIMCOMuniIncll <b>PML</b> NA 9.11 NA 6.8 Pimco Muni III <b>PMX</b> 8.15 7.93 -2.7 6.2	VirtusTotalRetFd <b>ZTR</b> 6.68 6.14 -8.1 -8.5	BlueBay Destra Itl E:L 22.94 BlueBay Destra Itl E:T 22.84
PioneerHilncAdv <b>MAV</b> 9.23 7.85 -15.0 6.1	Prem12 Mo	Calamos-Aksia ACI:A 10.01
PionrMuniHilncOppty MIO 12.34 10.55 -14.5 6.5	Fund (SYM) NAV Close /Disc Yld	Calamos-Aksia ACI:C 10.01
PioneerMunHilcm <b>MHI</b> 10.04 8.55 -14.8 6.1 Putnam Mgd Inc <b>PMM</b> 6.48 5.94 -8.3 6.3	U.S. Mortgage Bond Funds Arca US Treasury NA NA NA NE	Calamos-Aksia ACI:I 10.01 Calamos-Aksia ACI:M 10.01
Putnam Muni Opp <b>PMO</b> 11.07 10.34 -6.6 6.0	Ellington Inc Opp: A 8.54 NA NA NA	Carlyle Tact Pvt Cred: A 8.29
RiverNorth Flx Mu Inc II <b>RFMZ</b> 15.23 13.64 -10.4 8.1	Ellington Inc Opp:M 8.44 NA NA NA Loan Participation Funds	Carlyle Tact Pvt Cred: 8.32 Carlyle Tact Pvt Cred: 8.28
RiverNorth Mgd Dur Mun   RMM 16.12 15.09 -6.4 7.3	1WS Credit Income;A2 NA NA NA 6.4	Carlyle Tact Pvt Cred: N 8.32
Western Asset Mgd Muni MMU 11.59 9.99 -13.8 4.6 Single State Muni Bond	1WS Credit Income; Inst NA NA NA 6.3	Carlyle Tact Pvt Cred:N 8.28
BlackRock CA Mun <b>BFZ</b> 12.94 11.86 -8.3 4.0	AlphCntrc Prime Merid In 8.25 NA NA 13.8 Axonic Alternative Inc NA NA NA 9.2	Carlyle Tact Pvt Cred:U 8.33 Carlyle Tact Pvt Cred:Y 8.29
BR MH CA Qly Fd Inc <b>MUC</b> 12.57 10.70 -14.9 4.9	Blackstone FR EI D 21.08 NA NA 8.7	Fid MS Cr;A NA
BR MH NJ Qly <b>MUJ</b> 12.94 11.08 -14.4 5.2	Blackstone FR EII 21.05 NA NA 9.0	Fid MS Cr;C NA
BR MH NY QIy <b>MHN</b> 12.04 10.26 -14.8 4.5 BR MuniYld MI QIy <b>MIY</b> 12.84 11.03 -14.1 4.9	Blackstone FR EIT 21.01 NA NA 8.5 Blackstone FR EIT-I 21.53 NA NA 8.5	Fid MS Cr;I NA Fid MS Cr;L NA
BR MuniYld NY Qly <b>MYN</b> 11.62 9.94 -14.5 4.4	Blackstone FR EI U 21.94 NA NA 8.5	Lord Abbett Cred Opps Fd 8.80
BlackRock NY Mun <b>BNY</b> 11.95 10.13 -15.3 4.6	Bluerock HI Inst Crd: A 24.53 NA NA NS	Lord Abbett Cred Opps Fd 8.80
EVCAMuniBd <b>EVM</b> 10.30 8.94 -13.2 4.4 Eaton Vance NY Muni Bd <b>ENX</b> 10.70 9.50 -11.2 4.0	Bluerock HI Inst Crd:C 24.54 NA NA NS Bluerock HI Inst Crd:F 24.54 NA NA NS	Lord Abbett Crd Op:U 8.80 Oaktree Dvsfd Income;D 8.89
InvCaValMuIncTr VCV NA 9.49 NA 4.9	Bluerock HI Inst Crd:I 24.54 NA NA NS	PIMCO Flexible EM I;Inst 8.11
InvPAValMulncTr VPV NA 9.76 NA 4.7	BNYMAlcntrGlbMSCrFd 84.96 NA NA NA CliffwaterClFd;I 10.66 NA NA 8.6	National Muni Bond Funds Ecofin Tax-Exempt Prv Cr 8.90
InvTrInvGrNYMu VTN NA 10.19 NA 4.6	CliffwaterElFd;A 10.81 NA NA 9.5	Lind Cap Pt Mun Cred Inc 8.74
Nuveen CA AMT-F Qual MI NKX 13.04 11.18 -14.3 5.0 Nuveen CA Val NCA 9.25 8.68 -6.2 3.8	CNR Strategic Credit 7.41 NA NA 19.4	Nuveen En HY Muni Bd:A1 NA
NuveenCAQtyMulnc <b>NAC</b> 12.58 10.74 -14.6 4.9	Eagle Point Instl Income NA NA NA NS Equalize Community Dev 9.38 NA NA 3.6	Nuveen En HY Muni Bd:A2 NA Nuveen En HY Muni Bd:I NA
NuvNJ Qual Muni Inc <b>NXJ</b> 13.59 11.45 -15.7 4.2	FedProj&TrFinanceTendr 10.04 NA NA 5.0	PIMCO Flex Mun Inc; A-3 9.91
Nuveen NY AMT/Fr Qual MI NRK 11.97 10.42 -12.9 4.7 Nuveen NY Qual Muni Inc NAN 12.46 10.75 -13.7 4.6	Flat Rock Core Income 20.08 NA NA 6.9	PIMCO Flex Mun Inc:A1 9.91
Nuveen PA Qual Muni Inc <b>NQP 13.17 11.08 -15.9 3.9</b>	Flat Rock Enhanced Inc 20.61 NA NA NS InvDYCrOpp:A 11.02 NA NA 8.9	PIMCO Flex Mun Inc;A2 9.91 PIMCO Flex Mun Inc;Inst 9.91
Nuveen VA Qity Mun Inc NPV 12.32 10.89 -11.6 4.6	InvDYCrOpp:R6 11.03 NA NA 9.2	Single State Muni Bond
PIMCO CA PCQ NA 9.89 NA 6.4 PIMCO CAMUNIII PCK NA 5.99 NA 5.6	InvDYCrOpp:Y 11.02 NA NA 9.1 Invesco Sr Loan A 5.82 NA NA 10.4	PIMCO CA FMI;A-1 10.00 PIMCO CA FMI;Inst 10.00
	7/02 NA NA 10/4	1

#### Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

#### **Money Rates**

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a

guide to g	general	levels	but do	n't alw	ays represe	ent act	ual tra	nsacti	ons.					
	Infl	ation				Late	Week est ago	—52 Hig	-WEEK— h Low		Latest	Week ago	—52-1 High	WEEK— Low
	April ir le		Chg Fron arch '23		U.S.	gover	nmen	t rates	5	Othe	r short-	term	rates	
U.S. consu	-	ce inde 3.363	<b>x</b> 0.51	4.9	Discount	5.25	5.25	5.25	1.00		Latest	Week ago	– 52-\ high	Week – low
Core		5.899	0.47	5.5	Federal fu					Call money	7.00	7.00	7.00	2.75
In	ternati				Effective rate High	5.4000	5.4000	5.4000	0.8300	Commercia	ıl paper (	AA fin	ancial	)
	Latest	Week ago	- 52- High	Week – Low	Low Bid Offer	5.0800	5.0700	5.0800	0.8000 0.8300 0.8400	90 days <b>Libor</b>	5.18	5.24	5.29	1.33
Prime rate	es				Offer	7.1000	2.0300	J.1200	0.0400	One month	5.21929	5.18857	5.22243	1.28214
<b>U.S.</b> Canada Japan	8.25 6.70 1.475	8.25 6.70 1.475	8.25 6.70 1.475	4.00 3.70 1.475	Treasury by 4 weeks 13 weeks	5.0	<b>90</b> 5.13		1.040 1.230	Three month Six month One year	5.54443 5.65971 5.78386	5.62343		2.31157
Policy Rat	es				26 weeks				1.710	Secured Ov	ernight	Financ	ing Ra	ate
Euro zone Switzerland Britain	3.75 2.00 4.50	3.75 2.00 4.50	3.75 2.00 4.50	0.00 0.00 1.00	Se Fannie Ma	econda	ıry ma	rket		Lā	<b>5.05</b>	5.08 Value Traded	5.08 52-\ High	0.69 Week – Low
Australia	4.10	3.85	4.10	0.85	30-year mor		lds			DTCC GCF	Repo Ind	ex		
<b>Overnight</b> U.S.	repurci 5.10	<b>1ase</b> 5.06	5.12	0.71	30 days 60 days	6.2	<b>00</b> 6.14		2 4.321 3 4.390	Treasury MBS	5.100	28.480 41.950		

Tullett Prebon Information, Ltd.

20.99 -54.4

312

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective May 4, 2023. Other prime rates aren't directly comparable; lending practices vary widely by location; Discount rate is effective May 4, 2023. Secured Overnight Financing Rate is as of June 8, 2023. DTCC GCF Repo Index is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. Federal-funds rates are Tullett Prebon rates as of 5:30 p.m. ET.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet;
Tullett Prebon Information 1.14

#### Cash Prices | wsj.com/market-data/commodities

Friday, June 9, 2023

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace mo

separate from the futures months.	price on a	n exchange, which reflects wh	nat the co	ommodity might be worth in f	uture
	Friday		Friday		Friday
Energy  Coal,C.Aplc.,12500Btu,1.2S02-r,w Coal,PwdrRvrBsn,8800Btu,0.8S02-r,	76.900 v 14.550	Iron Ore, 62% Fe CFR China-s Shredded Scrap, US Midwest-s,m Steel, HRC USA, FOB Midwest Mill-s Battery/EV metals	n.a. n.a. n.a.	Wheat,Spring14%-pro Mnpls-u Wheat,No.2 soft red,St.Louis-u Wheat - Hard - KC (USDA) \$ per bu-u Wheat,No.1soft white,Portld,OR-u	9.8425 6.3525 8.6275 7.2000
Metals  Gold, per troy oz  Engelhard industrial  Handy & Harman base  Handy & Harman fabricated  LBMA Gold Price AM	1959.00 1960.30 2175.93 *1947.25	BMI Lithium Carbonate, EXW China, =99.2%-v,w BMI Lithium Hydroxide, EXW China, >56.5%-v,w BMI Cobalt sulphate, EXW China, >20.5%-v,m BMI Nickel Sulphate, EXW China, >22%-v,m BMI Flake Graphite, FOB China, 100 Mesh, 94.95%-v,m Fibers and Textiles	42425 41800 5041 4512 688	Food  Beef,carcass equiv. index choice 1-3,600-900 lbsu select 1-3,600-900 lbsu select 1-3,600-900 lbsu Butter,AA Chicago-d	303.52 280.49 1.4249 2.3625
LBMA Gold Price PM Krugerrand,wholesale-e Maple Leaf-e American Eagle-e Mexican peso-e Austria crown-e Austria phil-e	*1966.40 2051.02 2100.09 2100.09 2532.08 1926.84 2060.84	Burlap,10-oz,40-inch NY yd-n,w Cotton,11/16 std lw-mdMphs-u Cotlook 'A' Index-t Hides,hvy native steers piece fob-u Wool,64s,staple,Terr del-u,w <b>Grains and Feeds</b>	0.7425 0.8179 *94.85 n.a. n.a.	Cheddar cheese,bbl,Chicago-d Cheddar cheese,blk,Chicago-d Milk,Nonfat dry,Chicago lbd Coffee,Brazilian,Comp-y Coffee,Colombian,NY-y Eggs,large white,Chicago-u Flour,hard winter KC-p	157.00 142.25 116.00 1.9098 2.2928 1.1150 21.40
Silver, troy oz. Engelhard industrial Handy & Harman base Handy & Harman fabricated LBMA spot price (U.S.\$ equivalent) Coins, wholesale \$1,000 face-a Other metals LBMA Platinum Price PM Platinum, Engelhard industrial Palladium, Engelhard industrial Aluminum, LME, \$ per metric ton Copper, Compex spot	24,3000 24,3610 30,4510 *£18,9900 *23,6700 22521 *1020.0 1005.0 1335.0 *2187.5 3,7890	Barley,top-quality Mnpls-u Bran,wheat middlings, KC-u,w Corn,No. 2 yellow,Cent IL-bp,u Corn gluten feed,Midwest-u,w Corn gluten meal,Midwest-u,w Cottonseed meal-u,w Hominy feed,Cent IL-u,w Meat-bonemeal,50% pro Mnpls-u,w Oats,No.2 milling,Mnpls-u Rice, Long Grain Milled, No. 2 AR-u,w Sorghum,(Milo) No.2 Gulf-u SoybeanMeal,Cent IL,rail,ton48%-u,w Soybeans.No.1 v iw IL-bb.u	n.a. 135 6.1600 159.8 517.8 363 175 450 4.0850 37.25 n.a. 402.20 13,9300	Hams,17-20 lbs,Mid-US fob-u Hogs,Jowa-So, Minnesota-u Pork bellies,12-14 lb MidUS-u Pork loins,13-19 lb MidUS-u Steers,TexOkla. Choice-u Steers,feeder,Okla. City-u,w Fats and Oils Degummed corn oil, crude wtd. avgu,w Grease,choice white,Chicago-h Lard,Chicago-u Soybean oil,crude;Centl IL-u,w Tallow,bleach;Chicago-h Tallow,edible,Chicago-u	0.81 83.55 n.a. 1.0786 185.00 261.25 n.a. 0.5650 n.a. 0.5709 0.5400 p.a.

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=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. \*Data as of 6/8

#### HEARD ON STREET

from ielts2.com

FINANCIAL ANALYSIS & COMMENTARY

#### Tesla Has Won the EV Charger Wars

GM's decision to follow Ford in joining Tesla's network paves the way for a single, open U.S. electric-vehicle charging standard

**Tesla**'s apparent triumph in the battle of the electric-vehicle chargers is good for everyone—almost.

Shares of Tesla jumped 4% Friday after **General Motors** said late Thursday that it would follow **Ford Motor** in adopting Tesla's charging standard on its next generation of EVs. In exchange, GM's customers will be able to recharge their vehicles on Tesla's Supercharger network, starting next year.

The roughly \$40 billion gain in Tesla's market value seems extreme for providing what is likely to be a low-margin service, but the market reactions make sense directionally: This is a win-win situation.

Tesla's network capacity will be more fully utilized as a result of Ford and now GM joining it, while the Detroit companies have taken a major step toward addressing range anxiety for their potential EV customers. This is still a barrier to the technology's adoption.



The moves mean Tesla's network capacity will be more fully utilized.

The losers are independent charging networks, which might not get as much traffic once they face competition from Tesla's network. In the longer term, they may even come under pressure to shift their systems to Tesla's standard, which could be expensive. Shares of fast-charging network

**EVgo** and slow-charging leader

ChargePoint Holdings were down about 12% and 13%, respectively, in Friday's trading.

Both companies went public via special-purpose acquisition companies during the pandemic stocktrading boom and, like most former SPACs, haven't served investors well despite a powerful operational tailwind from the Biden administration, which is funneling billions of dollars into EVs, including \$7.5 billion into chargers specifically.

Tesla uses a different charging plug than the independent providers. The competition between the two standards echoes previous battles over new technologies, such as between VHS and Betamax for videotapes or narrow-gauge and wide-gauge railways in Victorian England.

With Ford and now GM on board, Tesla seems to have all but won this one in the U.S. Its victory reflects both the higher number of chargers it offers and a more seamless and reliable charging experience. On the other side lay something of a tragedy of the commons, with nobody taking full responsibility for quality control or providing a comprehensive solution.

A shakeout among independent charging companies is widely expected, and Tesla's deals with Detroit may be a catalyst. Oil-and-gas companies that run old-fashioned service stations have been among the most aggressive consolidators so far: **Shell** bought Volta, another former SPAC, in March.

For most of the nascent EV industry, the emergence of a single, open standard for U.S. charging would be very welcome. There is a way to go yet, but the destination now seems clearer—and drivers can relax a bit about their battery charge.

—Stephen Wilmot

#### SEC Needs to Clarify Stablecoin's Asset-Class Status

The Securities and Exchange Commission has taken on two of the biggest players in crypto in the past week, along the way laying out arguments for how exchanges and many digital tokens should be regulated. But there is a key part of the crypto market it still seemingly hasn't addressed head on: stablecoins.

This specialized class of digital assets, designed to match the value of fiat currencies, appeared to be on the agenda as of earlier this year. In February, The Wall Street Journal reported that the SEC staff sent a notice to crypto firm **Paxos** related to its role in stablecoin Binance USD, or BUSD.

The regulator still hasn't laid out a comprehensive approach to these tokens or their issuers. But last week it did reveal more of its thinking about how a stablecoin can be considered a security, and thus subject to registration and SEC oversight. In the Binance complaint, the SEC charged that "since its inception, BUSD has been offered and sold as an investment contract and, therefore, as a security."

The SEC has previously alleged that TerraUSD was a security. But that is a unique kind of so-called algorithmic stablecoin, which doesn't have the full backing of actual dollars or investments. Binance USD does. So it is potentially a much more representative example of the asset class.

Using prongs of the so-called Howey test—a court precedent that gives conditions under which something can be considered a security—the SEC alleged in its Binance complaint that BUSD buyers participated in a common enterprise with Binance, which did "earn returns through various forms of capital deployment." It also said that Binance marketed BUSD's "profitearning potential," including a reward program that the SEC said "promised interest payments to BUSD investors merely for holding Notably, the SEC said an expec-

notably, the SEC said an expectation of profit for BUSD investors derived from these rewards, which it described as "the potential for direct, interestlike payments made by Binance, in part from the proceeds of deploying BUSD investors'

capital."

This may be a key argument for the SEC, since it must confront the contention that stablecoins aren't expected by buyers to appreciate in value but instead to stand in for a dollar, euro or other traditional currency and intended to be used for things like payments or storing value.

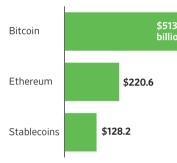
Still, it remains hard to discern exactly what the distinctions might be. Is BUSD's security status not inherent to the digital asset itself, but tied to the way it was marketed or utilized by Binance? The SEC stated that as of February, "approximately 90 percent of outstanding BUSD at that time was held in wallets controlled by Binance, most of which was BUSD deposited by investors." Binance, notably, isn't the issuer of BUSD. That was done by Paxos, a blockchain infrastructure company. Earlier this year, Paxos ended the relationship with Binance and halted minting new BUSD.

The SEC's recent complaint against **Coinbase Global** didn't mention anything about stablecoins. Coinbase isn't the issuer of the USD Coin stablecoin, though it

is a reseller of it, and is a founding member of the organization that launched it and earns interest on USDC reserves under a revenuesharing agreement. It enables users to "earn 2% rewards by simply holding USDC on Coinbase," as stated by the company's website, which also says that Coinbase doesn't use the USDC and that the rewards are funded from Coinbase's own funds.

The answer could ultimately be that different stablecoins are treated differently—an outcome that might be most fair, but also leaves a lot of uncertainty without a more definitive framework. SEC Chair Gary Gensler has described a variety of ways to argue that a stablecoin should be regulated by the SEC, and said that other regulators, such as the Commodity Futures Trading Commission, should have more authority to police them. The CFTC called BUSD a commodity in a complaint filed in March.

Binance said in a news release last week that "BUSD is not a security," noting the CFTC's prior action, and saying it was caught in a "regulatory tug-of-war." Paxos said Market capitalization by crypto category or coin



Note: As of June 9, 5:30 p.m. EST Source: CoinMarketCap.com

in a statement that its stablecoins are regulated by the New York State Department of Financial Services, and "are unequivocally not securities under either Howey or Reves," referring to another legal standard. Coinbase Chief Executive Brian Armstrong tweeted that the "SEC and CFTC have made conflicting statements, and don't even agree on what is a security and what is a commodity."

Picking up breadcrumbs isn't a reliable way to interpret financial regulation. But with respect to stablecoins, breadcrumbs are all that regulators have left for now. That ought to change at some point.

—Telis Demos

#### **MARKETS**

#### Market Cap of Tokens Falls for 14th Straight Month

By Vicky Ge Huang

Prices of bitcoin and other major cryptocurrencies are rebounding this year, thanks in part to investors' increased risk appetite. Things get more complicated for stablecoins.

They are a type of cryptocurrency and, as their name suggests, their price is supposed to stay steady, often at \$1. Crypto traders use them to store value on crypto trading platforms while they buy and sell more volatile cryptocurrencies.

Major stablecoins slipped off

their dollar pegs over the past year or two, and some collapsed completely. USD Coin, issued by Circle Internet Financial, briefly slipped below the dollar after the March collapse of one of its bankers, Silicon Valley Bank. USD Coin is the second-biggest stablecoin behind tether, which is issued by the company of the same name.

The rising interest rates of late have been a boon for stablecoin issuers, at least the ones taking advantage of them. Like anyone else, stablecoin issuers can earn yield from investing in Treasurys.

But stablecoin issuers don't pass the interest to the investors who hold stablecoins. That is because doing so would make it more likely that their crypto products get classified as securities or banking products, making them subject to regulation, investors and analysts say. So when rates

Watch a Video



Scan this code for a video on the SEC's suit against Binance and Coinbase. rise, the company can get all the benefit.

If that is the case, why would anyone buy stablecoins? Some crypto companies use stablecoins to store capital, or to make venture investments in other crypto companies.

Regulators are skeptical, in part because stablecoins are susceptible to customer runs. Michael Barr, the Federal Reserve's top banking regulator, has called for stablecoin regulation. Securities and Exchange Commission Chair Gary Gensler likened stablecoins to poker chips in a casino.

In general, stablecoin issuers

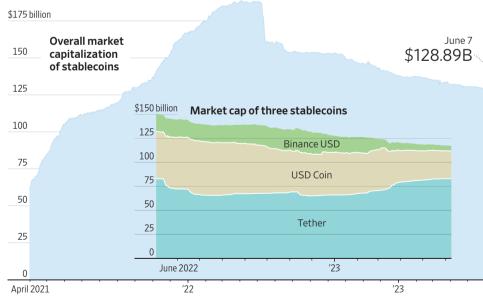
release regular updates, or attestations, pledging they have enough cash or other liquid assets to back their stablecoins. But traders could quickly

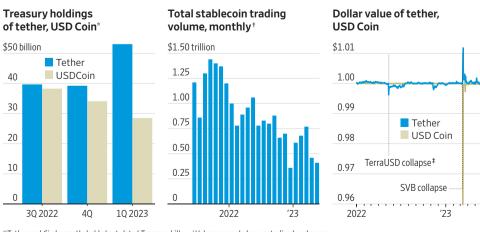
pull their money out if they start to doubt those statements. In that case, the issuers would have to quickly sell assets to give clients their money back, potentially sparking a panic that could bleed into other parts of the financial system.

As of May, the overall markets

As of May, the overall market cap of stablecoins declined for 14 consecutive months to about \$130 billion, the lowest sum since September 2021, according to CCData. Still, the size of the stablecoin market today is more than double its size in March 2021, and the declines appear to have stabilized somewhat in recent months. Stablecoin trading volume is also down.

The tether stablecoin continues to get even bigger, in part because its two main rivals have come under pressure from either the regional-banking crisis or regulators. Its market cap reached a new





\*Tether and Circle mostly held short-dated Treasury bills. †Volume recorded on centralized exchanges †TerraUSD was an algorithmic stablecoin created by Terraform Labs. Sources: CCData (overall market cap, volume); CoinMarketCap market cap of three stablecoins); Tabler (Firel Integrate Financial attestations (holdings): Krakon (dollar value).

high this month. Market caps for USD Coin and the thirdlargest stablecoin, Binance USD, are down this year.

The Tether company recently made a series of bitcoin-related investments and partnerships,

including regularly using its profits to purchase bitcoin and setting up a bitcoin mining arm in Uruguay.

Paolo Ardoino, chief technology officer of Tether, said in an email that the company isn't

any more aggressive than its competitors given the profits it

has generated.
USD Coin was launched in 2018 by crypto firm Circle and crypto exchange **Coinbase**. In

March, Circle said it had \$3.3

billion tied up in the failed Silicon Valley Bank, scaring off some buyers. The company has since transferred its reserve deposit at SVB to new banking partners and now keeps nearly all of its cash with Bank of New York Mellon.

More recently, the Circle Reserve Fund, managed by asset manager **BlackRock**, shifted all of its Treasury holdings into overnight repurchase agreements, a move that was meant to cushion it from a possible U.S. default.

Binance USD, issued by **Paxos Trust** and branded after the largest crypto exchange, Binance, had been rapidly gaining market share from rivals. Then in February, New York regulators ordered Paxos to stop creating more of the token, known as BUSD. Binance said at the time that BUSD is issued and owned by Paxos and the crypto company only licenses its brand.

The Securities and Exchange

The Securities and Exchange Commission sued Binance last week, alleging the company misused customer funds and operated an illegal trading platform in the U.S.

In the lawsuit, the SEC labeled BUSD as an unregistered security that should have complied with investor-protection rules. The SEC said 90% of outstanding BUSD was held in Binance-controlled wallets as of February, and Binance had agreed to split the interest revenue on the reserves underlying BUSD. Paxos has said that it disagrees with categorizing BUSD as a security. Binance and its U.S. affiliate said after the SEC lawsuit that they would defend themselves and that all user assets were secure.



## An open letter from UBS

Today, we cross an important milestone.

It's the start of a new chapter – for UBS and the global financial industry.

We have announced the legal closure of our acquisition of Credit Suisse.

We are privileged to be entrusted with writing history.

We will bring together the collective expertise, scale and wealth management leadership of both UBS and Credit Suisse to create an even stronger combined firm.

One that will benefit all of our clients across the world.

We know there will be challenges.

But we also know there will be great opportunity.

For our clients. For our employees. For our shareholders. And for our communities.

And here is our commitment –

We will stay focused on what really matters: the safety and security of our clients' assets and helping them achieve their goals.

We will work together as we combine our strengths and capabilities.

We will make decisions based on facts and with the bigger picture top of mind.

We will never compromise on UBS's strong culture, conservative risk approach or quality service.

Many are counting on us to make this acquisition work.

And we have no doubt that we will.

To our clients – both at UBS and Credit Suisse – thank you for the trust you place in us and for the privilege of serving you. This is the start of a new, historic chapter.

And we look forward to showing you all that our combined firm can do.

Colm Kelleher

1.C. Miller

Chairman of the Board of Directors

**Sergio P. Ermotti**Group Chief Executive Officer



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THE WALL STREET JOURNAL.

Monday, June 12, 2023 | **R1** 



How to Tell if You're the

## Office Jerk

It isn't easy, because people don't like to give negative feedback. But there are ways to find out—and fix things.

BY DANIEL YUDKIN AND TESSA WEST

**E ALL KNOW** who they are. The colleague who takes credit for others' contributions. The boss who seems to enjoy embarrassing subordinates. The know-itall who won't shut up in meetings.

Identifying the jerk at work is easy. Unless, that

is, the jerk is you. In that case, there's a good

chance you'll never know it. The reason for our blindness is clear: People hate giving negative feedback. So when people do things that offend, irritate or make others

Please turn to page R4

Daniel Yudkin is a postdoctoral researcher in the department of psychology at the University of Pennsylvania and a visiting scholar at the Wharton School. Tessa West is a professor of psychology at New York University and the author of "Jerks at Work: Toxic Coworkers and What to Do About Them." They can be reached at reports@wsj.com.

#### Hasbro's Plans to Revive Its Toy Business

The maker of Monopoly and Transformers action figures says part of the strategy is to win a bigger share of the preschool market

BY JOANN S. LUBLIN

HAT DO toddlers and grown-ups past 50 have in common? Hasbro wants to sell them

both more toys. The toy and game maker

suffered a weak holiday season and a 9% drop in revenue during 2022, the first year that Chris Cocks served as chief executive of the producer of Monopoly, Play-Doh, Transformers action figures and the Dungeons & Dragons fantasy game. By contrast, revenue jumped 17% at rival Lego last year, while revenue

at Barbie manufacturer Mat-

tel was flat. This year, the toy industry in general faces tougher times amid a slower economy and high inflation, analysts say. In late January, Cocks announced plans to eliminate about 15% of the company's global workforce—the biggest job cuts in its 100-year history. The longtime gamer, a former Microsoft executive who joined Hasbro in 2016, says he thinks the company strayed too far afield from its

core toy and game business. Please turn to the next page

#### Inside

#### **LAPTOPS AND LIES**

People lie more when using a laptop than they do when using a cellphone, a new study suggests, in part because laptops are associated more with doing business. **R2** 

#### **SALARY IMPACT**

Workers are less likely to negotiate for higher pay when employers say the work has social impact. R5



#### Listen L

Office eavesdropping once had benefits for employees and employers. Some are trying to bring it back. R6





Scan this code to learn how freelancers and small-business owners are using generative AI to boost productivity.

#### JOURNAL REPORT | C-SUITE STRATEGIES

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#### Hasbro's Plan

Continued from the prior page He adds that he hopes to reignite revenue growth and increase market share partly by wooing customers "from both ends of the age spectrum."

In an interview, the 49-year-old Cocks spoke about his multigenerational strategy and the role of physical playthings in an increasingly digital world. Edited excerpts follow:

#### Lost sight of play

- WSJ: What major challenges face Hasbro?
- COCKS: The biggest is marketshare loss in our toy business for the last three to four years. We lost sight of play, the center pillar of Hasbro, and underinvested in our core toy business. Because of that, our innovation flywheel wasn't spinning as fast as our competition's.

Our second challenge is we bought an entertainment company in 2019 [Entertainment One]. An awful lot of entertainment that company makes isn't play-related. We're never going to have an action figure based on the reality TV show "Naked and Afraid," produced by that unit. We can probably do what we need to in entertainment with a much smaller footprint. [Hasbro intends to sell most eOne TV and film assets that aren't related to Hasbro's intellectual property.]

- . WSJ: You have predicted a further drop in overall revenue this year. How will you restore an upward trajectory?
- COCKS: We're spending sizable sums to attract experienced industry leaders and improve operations, such as through an enlarged consumer-insights team and expanded data analytics. We also unlock value within business units by letting multiple people make key decisions.
- WSJ: Why has Mattel nevertheless captured a bigger share of the tov market?
- COCKS: They have been growing some share. We don't strive to be

the biggest toy company in the world. We strive to be the best company in five categories, which represent about 54% of the global toy and game market. We can build our overall market share, build up overall profitability and still be pretty well diversified. A happy side effect might be we'll get the biggest share of the tov industry.

#### Five categories

- WSJ: Tell us what steps Hasbro will take to lead in all five categories: action figures, preschool toys, games, arts and crafts, plus outdoor and sports items.
- COCKS: Preschool is the only area where we're not No. 1. We're a fast-growing No. 4 globally. In a lot of ways, our preschool business is just action figures for smaller hands. We can build relationships at the age of 2 or 3 with favorites like Peppa Pig.

We're also doing things with Walt Disney like Young Jedi Adventures, a kids' version of Star Wars. It's an animated series that made its debut this spring. There's a new line of Hasbro action figures and play sets celebrating the heroes-in-training. And you'll see old favorites age down. There are fun ways to introduce more Transformers toys to kids at age 3. A kid typically gets into Transformers at around 5 or 6.

Transformers EarthSpark, an original animated series, helps our youngest fans get introduced to the brand. We have toys to coincide with that series, launched at the end of last year, such as 1-Step Flip Changer action figures.

- WSJ: How will you attract more toddlers to your popular crafts such as Play-Doh?
- COCKS: We could have really interesting play experiences with Play-Doh and similar compounds, fusing in action figure or dollbased story play. That will be something innovative for 2024.
- WSJ: Hasbro has shed several toy brands. How do you choose which brands to stop selling and license instead?
- COCKS: We've been doing that with brands like Easy Bake and Lincoln Logs. We've got 1,500 brands and trademarks. We tend to focus on brands that are \$25 million or bigger in revenue with

#### **Hasbro Facts**

- \$150 million: The total in cost cuts Hasbro could reach this year
- **70%:** Revenue rise last year at Hasbro Pulse. a website geared to adults that is the company's fastest-growing direct-to-consumer channel
- 25-plus: The number of G.I. Joes that CEO Chris Cocks still owns from his childhood collection
- 500 million-plus: Cans of Play-Doh that Hasbro ships worldwide each year

Source: the company

at least a 10% operating profit margin and in a focus category Hasbro CEO Chris Cocks we like. The balance is available to our licensing teams to find partnerships that keep those brands alive. Anything that's not an action figure, preschool brand, board game, arts and crafts brand or outdoor brand would be on the potential license docket.

#### Adults who play

- WSJ: People 18 and over accounted for 14% of U.S. toy-industry sales in the 12 months ended June 30, 2022, according to market researcher Circana. That's up from 9% in 2019. Why do "kidults" play Dungeons & Dragons and collect retro toys like G.I. Joes?
- **COCKS:** As they are becoming adults, a lot of people become more intense in their loyalties toward brands nurtured when they were kids. Forty percent of our annual revenue comes from people aged 18 and older. I could easily see it being 50% five years from now. The heart and soul of our adult fan business is delivering to 30, 40, 50-plusers the toys of their dreams from when they were kids.

With Dungeons & Dragons, most people start playing at 11 or 12 and never stop playing even when they are a 49-year-old CEO of a company like me. I still play about once a month.

• WSJ: What will you do next with Hasbro Pulse, your website geared to adults? It offers an exclusive lineup of toys that includes a voice-controlled Trans-

#### formers robot for \$999.99.

- **COCKS:** Super-high-end Transformers create special collectible and play moments. You could expect more pop culture, entertainment-based intellectual property from games companies as well as movies. You'll also see us expand the countries Hasbro Pulse is available in.
- . WSJ: Which toys will be highly popular among adults this year?
- **COCKS:** Trading cards, whether Magic: The Gathering or Pokémon, will continue to be very popular. Action figures with movie and games tie-ins will be very popular.
- WSJ: The new Transformers movie is out. Previous ones made nearly \$5 billion in global box-office sales and spurred sales of related Hasbro products. But why should the toy industry keep relying on movies for brand building?
- COCKS: Movies still are important, but increasingly not the only game in town. Videogames are the preferred form of multimedia entertainment for new generations.

#### **Smartphone** competition

WSJ: Have Hasbro's toy and

because youngsters spend hours a day glued to smartphones?

• COCKS: We've had a long history of adapting our brands for the way people play. We've been some of the original innovators in the concurrence of digital and physical play. Besides building our digital-games capability, we also have a fairly big digital-licensing team that helps generate hits like Monopoly Go, a mobile game.

We continue to feel there's a robust market for physical things, whether it's kids who want to play with toys, families who want to play a board game or, increasingly, adult fans who love to collect their dream toys from when they were a kid.

- WSJ: However, your digital games business generates fatter profit margins than toys. Why not exit your core business entirely in favor of digital games?
- **COCKS:** Digital and physical toys and game products will live together. A toy helps you develop, explore your imagination and play with others. I don't see a world where moms and dads don't want to get toys for their kids. Certainly not in my lifetime.

Joann S. Lublin, a Wall Street Journal regular contributor, formerly was its management news editor and career columnist. Email: joann.lublin@wsj.com.

board-game sales also been hurt

be less deceptive about the size of the money pot than those who first thought of a professional outcome. Furthermore, this priming exercise had more of an effect on the laptop users than cell-

The overarching issue isn't the device itself the researchers said in the study, but the associations those devices carry because of the moments we use them.

#### **Driven to succeed**

phone users.

Of course, associations can and do change, which is why the takeaway from the research shouldn't be to avoid using laptops to reduce deceptive behavior, Kurtzberg says. Rather, it has to do with the professional mind-set and the "get ahead at any cost" mentality that may come with it, and the subtlety of the signals that can put us in this mind-set.

Kurtzberg says the reason people might be more deceptive in their professional lives could be related to a general cultural understanding that when it comes to "business," success matters more than anything else, so the ends justify the means.

With technology constantly evolving, Kurtzberg thinks the research begs the answers to other questions such as: Does using a tablet change our mind-set? What about using a keyboard versus a touch screen?

But in the meantime. "I think people need to understand that the idea that we are exactly the same, making the same decisions, regardless of the device in front of us, is incorrect," she says.

Emily Holland is a writer in Chicago. Email her at reports@wsj.com.



#### Than on a Cellphone New research suggests that we associate

laptops with our professional lives, and cellphones with our personal lives

BY EMILY HOLLAND

**OW WE** interact with others may change, depending on the device we are using.

So says a new study that found people are more likely to be deceptive for their own gain when performing tasks on a laptop rather than a cellphone. One explanation is people typically associate laptops with their professional lives while associating cellphones with their personal lives.

"What we ended up tapping into is the association with the device-friends and family for the phone and work and a 'get ahead at any cost' mentality with the laptop," says Terri Kurtzberg, professor of management and global business at Rutgers Business School in New Jersey, who conducted the research with Charles E. Naquin, associate professor of management at DePaul University's Driehaus College of Business, and Mason Ameri, associate professor of professional practice at Rutgers Business School.

In the first study, 137 graduate students participated in a bargaining exercise where they were asked to use either a laptop or cellphone to email a randomly assigned recipient a one-time offer to split a fictitious pot of money. Those making the offers knew the pot of money was \$125; the recipients of the emails knew only that the pot was somewhere between \$5 and \$200. The people making offers then sent the following email: "The amount I'm offering to you is \$\_\_. The total pot size is

The study found that the peo-

offer, both parties got paid.

\_." If the recipient accepted the

ple using laptops to make their offers told their partners the size of the pot was significantly smaller than those who composed their offers on a cellphone. That is, the laptop users lied more about the size of the pot in the hopes of keeping more of it for themselves.

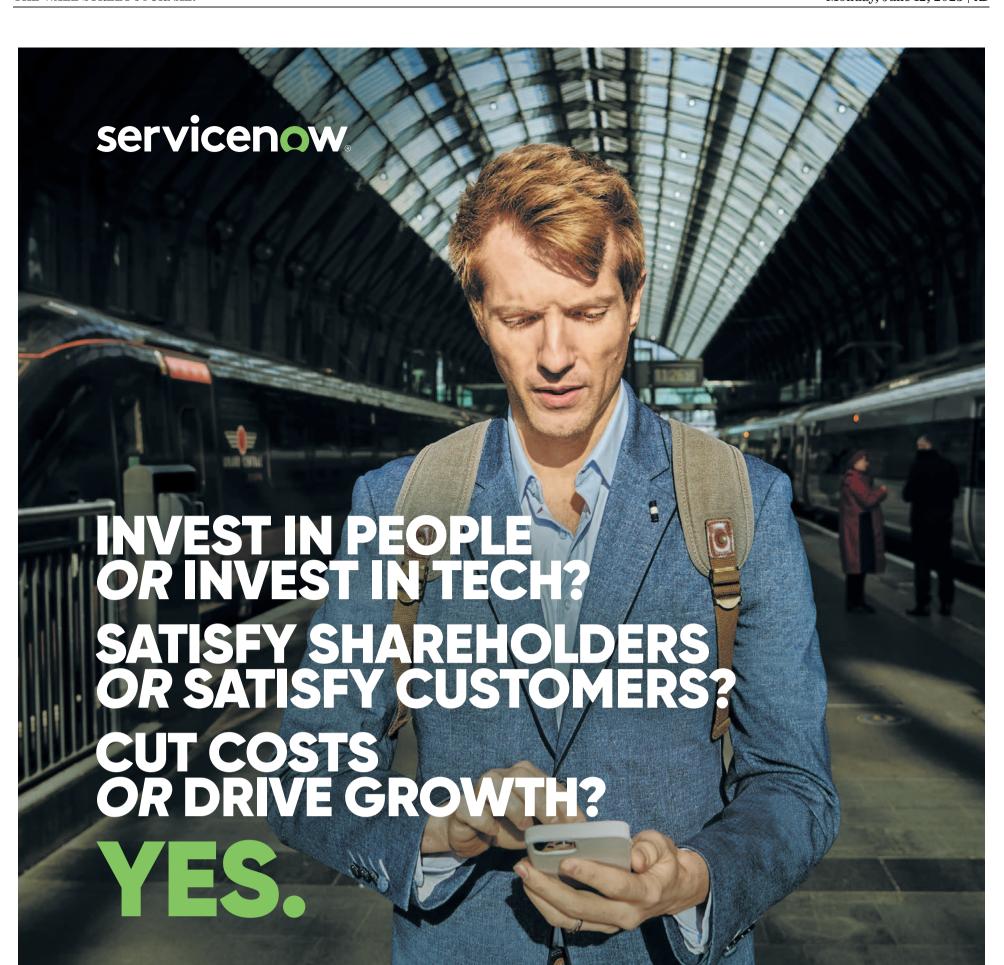
#### **Professional vs. personal**

The next two experiments aimed to identify the underlying mechanisms driving that behavior. One of the studies hypothesized that users associate cellphones with personal usage and laptops with work. To test that, participants were asked to categorize words as either "professional" or "personal." Most categorized words such as profit, bottom line and task as professional and words such as social, chat and relationships as personal.

They were then asked to categorize those words by device: laptop or cellphone. A majority categorized the professional words with their laptops and the personal words with their cellphone.

Next, to test their theory that it isn't the device that prompts deceptive behavior but rather the associations we tether to them. the researchers asked 174 graduate students to first think of a personal or professional outcome that turned out better than expected and to then write three words that best described their reaction to said outcome. They were then asked to complete the same bargaining exercise they performed in the first study either via laptop or cellphone.

Those who first thought of a personal outcome were likely to



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#### JOURNAL REPORT | C-SUITE STRATEGIES

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## Are You The Office Jerk?

Continued from page R1 uncomfortable, nobody tells them

To understand how much anxiety people feel about giving negative feedback, consider one study we ran in which we had two people negotiate with each other. We then instructed the winner of the negotiation to give feedback to the loser on what they could have done differently.

Instead of providing constructive feedback (for instance, "You came in with a really low offer, it made me think you would settle"), most winners gave overly positive, noncritical feedback that was basically useless ("Your negotiation skills were so great—you really killed it!").

Yet even with this sugarcoating of the facts, advice givers still found the exercise extremely stressful: They delivered positive feedback through tense smiles, with hearts pounding. Apparently, the mere *prospect* of giving negative feedback made people apprehensive, even though the advice they actually gave was milquetoast.

(Then again, advice givers

have plenty of reason to be wary. Even the most carefully worded negative feedback can result in unpleasant consequences for the deliverer—like anger, dismissing or devaluing the advice, and criticizing the advice giver in return.)

#### **Totally oblivious**

This absence of productive feedback obviously creates a big problem when it comes to people knowing if they are a jerk.

For a striking illustration of this ignorance, consider the popular Reddit thread "Am I the Asshole?", in which users write in with a description of a personal experience, and other users comment on whether the person was the offending party. Our analysis identified some 40,000 cases of workplace jerkishness ranging in subject matter from the ethical status of an office crush to whether someone is in the wrong for "ruining the company's group photo" (how, we'll leave to your imagination).

The volume of posts suggests people aren't getting enough real feedback about whether they are the jerk at work. Why would people take to Reddit for ethical insight if it was readily available from friends and colleagues?

Yet as uncertain as these would-be jerks are, the people rendering verdicts are far less equivocal: Of all the posts we analyzed, only 15% failed to receive a consensus verdict.

In other words, what may feel like an ambiguous moral conundrum from *your* perspective is likely as clear as day to the outside observer. The people around you know if you're a jerk or not. They're just not telling you.

#### What to do

So, that leads to the most-important question: How can I know if I'm the office jerk? Fortunately, social science has identified a number of ways to spur communication between advice givers and receivers (for those brave enough to hold up that mirror):

#### Realize that jerk-at-work behavior can come in all shapes and sizes.

When people call to mind the types of behaviors that could lead them to be perceived as a jerk at work, they focus on those that are widely acknowledged "bad actions"—lying and stealing, for example. If you aren't engaging in those kinds of behaviors, it's easy to write off the idea that you may be a jerk.

We examined the content of jerk-at-work posts in the aforementioned Reddit thread, using artificial intelligence to categorize the situations to see which behaviors are the most likely to get you labeled the jerk.

The clear winners (well, losers) were behaviors considered to be overreactions and judgmental. For example, one poster was universally maligned for "calling out an annoying and weird colleague in an all-staff email." In other words, an outsize display of emotion, or a lack of tolerance for others' potential lapses, puts you at high risk of being seen as a jerk at work. In many cases, we are jerks not because we did something mean, but because we were too judgmental about other people's behaviors.

That awkward joke you made on Zoom the other day? Unlikely anybody remembers it. But the judgey comment you made about someone else's awkward joke? That indeed, might land you in jerk-at-work territory.

#### • Don't wait for people to deliver the bad news.

At best, you'll learn that you're the jerk at work through the absence of positive feedback (think recommendation requests left unanswered and recruiters who can't gain traction on what you're like to work with) rather than through the presence of negative feedback. Instead, the key is to actively solicit advice in a way that reduces anxiety on the part of the advice giver by signaling your willingness to receive feedback and channel it constructively.

#### Tailor feedback requests to your specific behaviors, not to what people think of you in general.

In our feedback study with negotiators, one reason winners layered on the compliments was because the losers asked for very general feedback ("How did I do?"). People typically feel uncomfortable passing judgment about the overall person, which is what general feedback feels like.

But get more specific, and the reluctance fades. In our study, those who asked for specific feedback (for instance, "When I opened with the offer of \$10,000, did you think that was too low? Why?") got specific, accurate and useful answers.

Keep in mind, though, that when you ask for specific feedback, it's best to do it right away. Memories are fallible; you want to get people's thoughts right after the behavior in question, not during your quarterly review.

#### Ask for feedback about "ideal behavior" rather than about your own behavior.

You can grease the feedback wheels by framing your questions around what the *ideal* version of the specific behavior should be, rather than what they think of *your* behavior.

This method, developed by relationship scientists, does wonders for handling sticky communication issues. When talking about what's *wrong* may be awkward and uncomfortable, talking about what's *right* may provide a confrontation-free alternative.

This strategy is especially useful when a boss is soliciting advice from someone lower in position-people who would naturally be wary of telling the truth if the truth is negative. For example, if you're the boss and ask someone whom you manage, "I took three days to get back to you. Was that too long?" you may get a tense, "Your timing was great!" response in return. Having them tell you what the ideal turnaround time is, and doing the math yourself, feels much less confrontational.

A bonus of this approach is that by asking about ideal behaviors, you will learn a lot about workplace norms. Some of us become accidental jerks at work when we violate norms, which are often "company based"things that vary a lot from company to company. In our analysis of the Reddit data, around 1 in 6 work-related posts involved perceived violations of a social norm. These behaviors tended to elicit the most disagreement among evaluators, suggesting that we might be in the dark when it comes to knowing what, at this particular company, is the right way to behave.

#### Show that you get the message—and are working to change. And no, that doesn't just mean a heartfelt apology.

Jerk-at-work behaviors that are left unaddressed can spiral into dysfunction as the lack of communication between parties leads to bitterness and resentment. Yet there are ways you can interrupt this cycle.

The first is simple: Show you're listening. People who demonstrate they have taken a message on board are viewed more sympathetically. But it isn't enough to decrease people's negative emotions toward you; you need to also increase their positive ones. Your first step should be to "play back" the message to the provider, to show that you understand it ("So what I hear you saying is that you want more of a chance to have your voice heard in meetings").

The second (and arguably more powerful) step is to show that you are making a real effort to alter your behavior. Psychologists call this "moral change"—a genuine, motivated shift in behaviors in response to negative feedback. For example, if a coworker has asked you to be better about making work deadlines, don't be afraid to acknowledge their feedback the next time around: "I tweaked my workflow to get this in on time. Hope it helped!"

Demonstrating moral change is particularly important because it helps reduce the chances that your jerk-at-work behavior makes people see you as something far worse: a hypocrite. For as bad as your jerkish behavior may have been, offering an apology and then turning around and committing the same infraction is sure to land you on the list of Jerks-with-a-capital-J.

#### • Don't spend *too* much time worrying about being a jerk.

It's true that the inherent awkwardness of providing negative feedback means we will never know with certainty whether we have done something jerkish in other people's eyes.

Yet there is one point of solace: Our analysis of the Reddit data shows that people are far more likely to be acquitted than condemned when asking if they were a jerk. The things we spend our time worrying about may be not that big of a deal in others' eyes.

So yes, put your behavior under the microscope now and then. Ask for feedback, the right way. But if you're worried about being the jerk at work, it probably means you aren't.

#### The Do's and Don'ts of Getting Feedback

When people try to figure out how their behavior stacks up at work. their questions often make matters worse. Here are some strategies for diplomatically discovering how you are perceived by colleagues—and how to make things better.

-Daniel Yudkin and Tessa West

#### Critiquing the client call

#### Don't say:



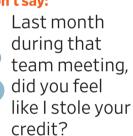


#### Do say:

During that client call, did I give the client a chance to voice their concerns throughout the call? If not, at what points during the call did you think I could have stepped back and let them share thoughts?

#### Stolen credit

#### Don't say:





In that meeting we just had, do you think it was made clear that those ideas were yours? If not, at what point in the conversation did you feel things got off track?

#### Giving deadlines

#### Don't say:



Did I give you enough time to make the changes to that document I assigned you?

#### Do say:



When it comes to making changes to documents like the one I just assigned you, what's the ideal amount of time you will need to get the work done?

#### The playback

#### Don't say:



So what I hear you saying is that you think I'm smothering you at work

#### Do say:



So what I hear you saying is that we need to set some clear guidelines around check-in times for projects, and emails after hours.

#### The acknowledged effort to change

#### Don't say:



So what you're saying is I should give everyone a chance to speak up before I jump in. I'll consider it.

#### Do say:



In this meeting, I gave everyone on the team a chance to share their perspectives before I jumped in with mine. I hope it helped people feel more comfortable speaking up!



#### Applicants Can Support a Firm's Mission, and Still Ask for Money

Research suggests a reluctance to negotiate salaries for fear it will make them look selfish

**BY INSIVA HUSSAIN** 

**ANT TO** work for a company that says it makes the world a better place? Be careful-you

might feel guilted out of asking for higher pay. Job postings today are pep-

pered with language promoting an organization's mission, its purpose and the importance of making an impact. But those positive messages can have a chilling effect on applicants. In sev-

eral studies, my colleagues and I found that the social messages in job postings make people think it would be a bad idea to ask for more money. They fear that the managers will think of them as selfish, or that company values make salary requests taboo.

#### **Great reluctance**

To be clear, the problem isn't that companies advertise broad social initiatives—known as social impact framing—or that they want employees to genuinely care about the work itself. Longstanding research has even shown that corporate social programs can benefit employees,

who enjoy a greater sense of motivation and meaningfulness when their work demonstrably makes a positive difference.

from ielts2.com

But this notion of higher purpose can make applicants wary of seeking higher pay.

My colleagues and I tested this idea over five experiments that measured how applicants handled salary negotiations with different companies: Some were described with phrases such as "mission orientation," "higher purpose" and "giving back," while others weren't. We didn't say whether the company was a nonprofit, engaged in charitable giving or could afford higher wages; our focus was on the language or framing used to describe the work, regardless of the company's business model.

The results were remarkably

consistent. Across the studies, job candidates exposed to social impact framing told us the company would see it as crass or inappropriate to ask for material rewards like a higher salary—so they avoided negotiating for more.

In the first study, 392 participants provided open-ended responses as to whether they would ask for higher pay at hypothetical companies, along with their rationale. Those who were given social impact framing were 32 percentage points less likely to say "yes" to negotiating. In addition, the group who gave negative responses was more than twice as likely as the control group to use phrases such as "doing so would be taboo," "make you look selfish if you asked," and "would likely make the organization less interested in hiring me."

In the second and third studies, we tested the effect in realworld contexts. In one, we asked 438 undergraduate students whether they would ask for more money for a purportedly real oncampus job opportunity. In the other, we asked 1,525 online workers recruited from a crowdsourcing marketplace to bid for a purported writing-related task.

In each case, the odds of negotiating were about 42 percentage points lower when the work was framed in social impact terms..

Our fourth study replicated the effects above, while our fifth study showed that effects held across a range of industries-from education to financial services.

#### A matter of perception

Why did this happen? We theorize that the applicants assumed that managers and companies had motivation purity bias thinking that employees who are interested in a job's material rewards care less about the work itself. And, indeed, previous research has shown that this bias does affect managers' decisions.

That means few applicants want to be seen as the person who gives priority to money over more lofty, altruistic goals. You

either love the work itself and want to help others or care about material rewards like higher pay. It can't be both.

But that attitude is simply romanticizing. Research shows that people often do their jobs better when they get a combination of extrinsic rewards like high salary and intrinsic ones like idealism about a mission.

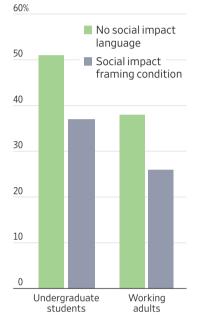
Passion for work is wonderful. But we shouldn't romanticize it as the only legitimate reason to take a job.

Insiya Hussain is an assistant professor of management at the University of Texas at Austin. Marko Pitesa and Michael Schaerer at Singapore Management University, and Stefan Thau at Insead contributed to this research. Email: reports@wsj.com.

#### Social Impact on Pay

Job applicants in recent studies were significantly less likely to ask for more pay when the hypothetical job posting used social impact language.

#### Probability of negotiating pay



Source: Organization Science, Hussain et al

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## The Benefits of Eavesdropping On Conversations in the Office

Employees—and bosses—can learn a lot of useful information by listening in on the chatter around them

BY ALINA DIZIK

T IS ONE OF the hardest things about working in an office: You are constantly overhearing other people. Sometimes it is just distracting chatter. Sometimes it is the proverbial "too much information" about people's lives or projects. And, of course, sometimes other people are listening in on you.

But what if the ability to eavesdrop is a benefit for your work life, not a negative?

Workers can gain a host of insights from the buzz of conversations around them, some executives and researchers say. Eavesdropping not only can deliver information about what is happening at the company, it can help people understand their colleagues' mind-sets, workloads and moods. It can help people learn who's who in the organizational structure and pick up tips on how to have certain kinds of conversations. Some workplaces are even trying to create opportunities for this kind of informational osmosis to occur.

This new respect for eavesdropping is driven in part by the return to work after the pandemic. Employees are starting to realize how much they benefited from the information they absorb by seeing co-workers in person—anything from weekend plans to forthcoming work projects.

"They have more opportunities to listen in on the watercooler conversations," says Johnny Taylor, chief executive of SHRM, the Society for Human Resource Management.

#### Chattering classes

Robert Burns, a marketing director at Sunnking, an electronics recycler in Brockport, N.Y., says that he often eavesdrops on co-workers as they make their business calls. It helps him better understand how they speak about the company to clients or vendors, which, in turn, helps him pick up tips on what does and doesn't work, he says.

After overhearing them, he

also has given co-workers "talking points" to help them use less industry jargon when discussing the recycling business. The object, he says, is to make it easier for them to relate to clients. "It benefits me in this role and my team to hear what everyone is doing—whether

they like it or not," he says. Burns is careful of what is where to turn to find information.

In her research, she found that most employees find it difficult to accurately define these networks without in-person opportunities. Even if the chat is muffled, "you hear about the relationship between them," she says, through cues like body language.

In recent years, when fewer people are in the office, being in a situation to overhear conversations is also "more valuable for the eavesdropper," says Elfenbein. With fewer chances for inperson conversations taking ing, solving a problem or leading a project.

"Eavesdropping is seen as a subset of observation where junior employees can observe leadership qualities," he says.

From a design perspective, that means Gensler is now creating more spaces where there are different areas that are explicitly designed to encourage and discourage listening, "allowing for a spectrum of acoustic privacy," says Stromquist, who is based in San Francisco. For instance, an area of open desks may

heard without violating somebody else's privacy.

"You don't want to create a culture where people feel like you're big-brothering them and hearing everything they say," says Adam Struck, founder of Struck Capital, a venture-capital firm based in Los Angeles.

It is possible that employees in certain roles are more likely to be in need of eavesdropping for success, says Leila Bighash, assistant professor of communication at the University of Arizona, who studies social eavesdropping. Previous research showed that nurses, physicians and hospital staff were more likely to consider eavesdropping at work as integral to their job because they could overhear information at a cardiac intensivecare unit that was critical to a patient's health.

People in a cutthroat work environment may also benefit more from eavesdropping, Bighash says. In those workplaces, people may be more reluctant to share information in direct conversation with certain people. So employees who listen to others can learn about projects outside of their department, or potential conflicts or challenges.

#### Digital eavesdropping

Eavesdropping doesn't have to be confined to in-person conversations. With so many far-flung co-workers keeping in touch digitally, there are now more companies replicating the office environment by offering more opportunities for digital eavesdropping, says Paul Leonardi, professor of Technology Management at UC Santa Barbara.

One opportunity is through group messaging apps with many participants, he says. Another is for people to access company materials and presentations online or recorded Zoom calls not directly related to their work. Leonardi suggests using messaging apps, including Slack, to get a sense of other employees' lives. In his research, he finds that information from this kind of digital eavesdroppingsuch as details about a vacation—makes a good ice breaker when approaching these same

workers offline.

But be cautious when using overheard information, says Deborah Grayson Riegel, an executive coach in Chapel Hill, N.C..

Employees need to be aware that some of the information may be confidential, jeopardize company initiatives or simply be inter-

"You need to understand you are hearing it out of context, and it's not the full story," she says.



said in more hushed tones around the office. When he overhears information being said in a whisper, he is more hesitant about bringing it up later or in meetings. "I can probably hear it, but I don't need to acknowledge it," he says. "It's kind of an unwritten understanding."

The biggest benefits to eavesdropping go beyond hearing what is said, according to researchers. Seeing who is talking to whom can make it easier to accurately map out other people's networks, says Hillary Anger Elfenbein, professor of organizational behavior at Washington University in St. Louis who studies the topic. With that knowledge, employees can better understand how to influence company decision makers based on whom they know or

place, every chance to listen in is all the more important.

#### Deploying design

Many companies are starting to see the benefits of promoting awareness of workplace behaviors, including overheard conversations, and are exploring office layouts that encourage the practice, says Brian Stromquist, who leads the technology workplace practice at design and architecture firm Gensler. Specifically, he sees more interest from companies that want eavesdropping to serve as an informal way of mentorship between junior and senior employees. A newer employee can benefit simply from overhearing a more senior person participating in a meetmake it purposely simple to overhear conversations, while another part of the floor may use music or white noise to create an atmosphere more conducive to privacy, he says. Deep-focus spaces or quiet libraries are explicitly places where employees should not be listened to, he adds.

"As people are reacclimating to the office, they've kind of established this new set of protocols that really recommend how you might use new spaces within the office," he says.

#### Mind your manners

Of course, no one recommends purposely seeking out private or personal conversations to listen in on. And you should only act on information that you over-

Alina Dizik is a writer in Chicago. Email: reports@wsj.com.

#### When Employees Leave a Company, Others Are Often Close Behind

A study finds that high-performing employees were more affected by layoffs than low performers

BY LISA WARD

HEN employees
leave a company—
voluntarily or
not—they often inspire their peers
to leave, too.

That is the conclusion of a recent paper that studied attrition at a major retailer. Among other things, the researchers found that attrition among employees rose after a layoff, as well as when a peer quit voluntarily. But they also discovered an important distinction within those results: Highperforming and low-performing employees often responded quite differently to layoffs, firings and voluntary departures.

#### **Leaving or staying?**For the study, the authors were

granted access to a major retailer's human-resources system, which allowed them to see employees' performance, as well as the reason why they left the company. The authors studied about one million employee records for 2014 and 2015.

They found that employees leaving often had a big impact on the ones who remained—but the average results hid some big splits among employees.

Take layoffs as an example. The authors found high-performing employees—employees whose performance reviews ranked in the top 40%—were often much more affected by layoffs than low-performing employees, those in the bottom 40%.

The attrition rate for high-performing employees increased by about a third to about 2% from 1.5% within six months of the layoff announcement. The attrition rate for low-performing employees, though, rose only modestly within six months of the layoff announcement, to about 2.15% from 2.01%.

Why? High-performing employees typically have more employment options, says Sima Sajjadiani, an assistant professor at the University of British Columbia's UBC Sauder School of Business and one of the paper's co-authors. As a result, when layoffs are announced, these individuals might pre-emptively begin job

searches to secure new roles rather than wait to see if they would be included in the layoff.

"Companies should consider the possible ripple effect when they make decisions about layoffs, especially because high performers are disproportionately affected," she says.

#### Highs follow highs

In some cases, the attrition rates for high and low performers don't even move in the same direction. For instance, after an employee

was dismissed for cause, the voluntary turnover rate for the entire sample decreased from 5.22% to 5.04% within six months of the termination.

But that is on average. When the authors broke down the sample set into high and low performers, they found that when a low-performing employee was dismissed for cause, the voluntary turnover rate among high performers actually fell to 1.43% from 1.5% within six months. But the turnover rate for low performers increased over six months to 2.24% from 2.01%.

"High-performing employees may view the dismissal of a lowperforming colleague as the organization maintaining standards, which can be seen as a positive performing employees might perceive the dismissal of a similar peer as a warning sign that they might be next, leading to an increase in voluntary turnover among this group."

A similar pattern emerged for voluntary departures. Specifically, for every five employees who quit, another employee followed suit

sign about the organization's com-

mitment to performance," Sajjadi-

ani says. "On the other hand, low-

formers out the door and low performers tended to do the same. But then came the split: Low performers didn't follow high performers out the door. And when a low performer quit, it slightly improved the retention rate for high

within six months. They also

found that high performers

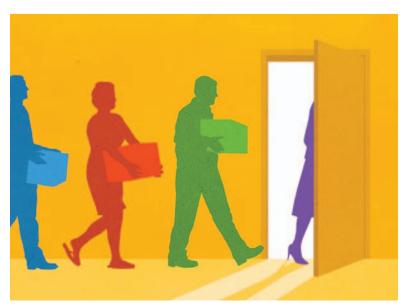
performers.

tended to follow other high per-

"Employees seem to be aware of their own level of performance," says Sajjadiani. They often see a peer leaving as a signal to look for a better fit elsewhere—but only if that peer matches their quality of work.

The lesson? Organizations, says Sajjadiani, should maintain high performers' job satisfaction, so they and their high-performing colleagues choose to stay put. But when low performers leave, they tend to take others with them—which might not be so bad for the organization.

Lisa Ward is a writer in Vermont. She can be reached at reports@wsj.com.



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