

# THE WALL STREET JOURNAL.

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★★★★ \$5.00

DJIA 44484.49 ▲ 229.71 0.52%

NASDAQ 20885.65 ▲ 0.7%

STOXX 600 547.03 ▲ 1.0%

10-YR. TREAS. ▼ 2/3, yield 4.462%

OIL \$67.54 ▲ \$1.16

GOLD \$3,340.10 ▼ \$12.40

EURO \$1.1597

YEN 148.61

## What's News

### Business & Finance

◆ **Railroad operator** Union Pacific is holding talks to acquire its smaller rival Norfolk Southern in a deal that could create the largest rail operator in the U.S. **A1**

◆ **U.S. regulators** authorized Juul Labs to keep its e-cigarettes on the U.S. market, breathing new life into a company that had narrowly averted bankruptcy. **B1**

◆ **The S&P 500** and Nasdaq hit records in the wake of some strong earnings reports, rising 0.5% and 0.7%, respectively, while the Dow gained 0.5%. **B9**

◆ **CBS is pulling the plug** on "The Late Show With Stephen Colbert," and on the entire late-night franchise. **B1**

◆ **New jobless claims** last week fell to 221,000, from a revised 228,000 a week earlier, the Labor Department said. **A2**

◆ **Bristol-Myers Squibb** and Pfizer plan to sell the widely used blood thinner Eliquis directly to patients at a discounted cash price. **B1**

◆ **Novartis launched** a share buyback of up to \$10 billion and raised its profit guidance after logging second-quarter sales and earnings growth. **B3**

◆ **Netflix raised its** revenue and operating margin forecasts for the year, continuing a strong run that has propelled its shares to new highs. **B1**

◆ **FedEx is parting ways** with its chief digital and information officer, Sriram Krishnasamy, after a monthslong internal investigation into the unit that he oversaw. **B1**

◆ **Meta Platforms** directors and shareholders who had brought a data-privacy lawsuit against them agreed to settle, cutting short a trial. **B1**

### World-Wide

◆ **Congress canceled** \$9 billion in federal spending for foreign aid and public broadcasting, following through on Trump's efforts to defund the programs and overcoming some resistance among Republican lawmakers. **A1**

◆ **Trump called for** the release of additional documents related to the investigation of convicted sex offender Jeffrey Epstein. **A6**

◆ **White House officials** are preparing an executive order targeting tech companies with what they see as "woke" artificial-intelligence models in another effort to go after DEI initiatives. **A3**

◆ **The U.K. and Germany** signed a friendship and cooperation treaty to foster closer cooperation on defense and tighter economic ties. **A7**

◆ **Beijing threatened to** block a deal that would transfer ownership of dozens of seaports to Western investors if China's largest shipping company doesn't get a stake. **A16**

◆ **Some Trump administration** officials are citing national security to justify their reluctance to complete a deal making cutting-edge AI chips available to the U.A.E. **A3**

◆ **Trump was diagnosed** with a common vein condition after he identified "mild swelling" in his legs, the White House said. **A3**

◆ **The House advanced** three bills aimed at setting up cryptocurrency regulations. **A4**

◆ **Died: Connie Francis**, 87, pop star of the '50s and '60s. **A3**  
... **Bryan Braman**, 38, former Philadelphia Eagles player. **A4**

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## Congress Backs Trump Clawback

Both houses agree to slash \$9 billion from foreign aid programs, public broadcasting

WASHINGTON—The GOP-controlled Congress canceled \$9 billion in federal spending for foreign aid and public

By Ken Thomas,  
Lindsay Wise  
and Jasmine Li

broadcasting, following through on President Trump's efforts to defund the programs and overcoming some

resistance among Republican lawmakers.

The House passed the Trump administration's plan 216-213 early Friday. The Senate had passed it in the early hours of Thursday morning, 51-48, largely along party lines, with Republican Sens. Susan Collins of Maine and Lisa Murkowski of Alaska joining Democrats in opposition.

Both chambers acted before a Friday deadline after which the executive branch would have had to release the funding. The final vote was delayed for several hours Thursday night as Democrats in the House Rules Committee failed

to advance an amendment that would have required Attorney General Pam Bondi to release records related to convicted sex offender Jeffrey Epstein within 30 days.

The passage of the rescissions package again showed off Trump's ability to muscle legislation through the narrow GOP majorities in Congress and pressure holdout Republican lawmakers to get in line. The cuts are set to be the first time a White House has accomplished clawbacks in more than a quarter-century, and White House officials made clear that they would pursue additional reductions.

"Congress wants to be a part of voting for these cuts and making them permanent," said Russ Vought, the director of the White House Office of Management and Budget. Vought, speaking at a Christian Science Monitor breakfast, said the Trump administration was likely to send up another proposal to recover more funding, but he declined to provide specific details.

Senate Majority Leader John Thune (R., S.D.) said Congress's approval of the rescissions was a "small but important step toward fiscal sanity." The \$9 billion in cuts

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## Railroad Operators In Talks For Large Tie-Up

Union Pacific eyes deal to buy Norfolk Southern, creating sprawling network

BY LAUREN THOMAS  
AND BEN GLICKMAN

Railroad operator Union Pacific is holding talks to acquire its smaller rival Norfolk Southern in a deal that could create the largest rail operator in the country, people familiar with the matter said.

The talks are in the early stage, and there are no guarantees they will result in a deal or receive regulatory signoff, the people said. It is also possible another suitor could emerge.

Union Pacific has a market value of around \$140 billion, while Norfolk is valued at about \$60 billion.

Shares of Norfolk jumped 4% in after-hours trading following The Wall Street Journal report, while Union Pacific shares fell around 1.6%.

The deal would create a sprawling rail network that spans the continent and handles a sizable share of freight across the U.S. Currently, no railroad operator has a network that runs coast to coast in the U.S.

Union Pacific Chief Executive Officer Jim Vena has spoken publicly in recent months about the benefits of a transcontinental railroad. Vena has said that a transcontinental railroad would improve service as it would smooth out current delays at interchanges, when a railroad operator transfers railcars to another operator.

Still, any deal would face serious scrutiny from a series of regulators including the Surface Transportation Board, the economic regulator primarily overseeing freight railroads, as well as the Justice Department, investors, Amtrak and labor unions.

Analysts have speculated that Union Pacific is likely entertaining a merger proposal in part because of a

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Trump's tensions with Fed Chair Jerome Powell include criticism of cost overruns in the central bank's renovations. **A2**

## Independent Fed Anchors Global System

By DAVID UBERTI  
AND JUSTIN LAHART

President Trump's threat to attempt to fire Federal Reserve Chair Jerome Powell has raised a pressing but potentially unanswerable question: What would the global economy and financial markets look like without an independent U.S. central bank?

Shielded from White House interference, the independent Fed has increasingly served as

an anchor for U.S. and global markets, stepping in to steady the ship during the 2008-09 financial crisis, the Covid pandemic and other shocks of recent years. Economists credit the central bank's ability to help keep things stable in large part to its power to make moves it deems necessary, regardless of politics.

Now, former Fed officials and investors warn that a central bank more beholden to the White House could lose its

ability to act quickly and credibly in the face of financial threats. On Tuesday, Trump suggested in a White House meeting with Republican lawmakers that he could soon try to oust Powell, escalating months' worth of criticism that the central bank has kept interest rates too high for too long.

The president later said it was highly unlikely that he would fire Powell.

Trump's pressure campaign against Powell has recently

centered on the \$2.5 billion renovation of the central bank's headquarters in Washington, with the White House criticizing cost overruns and marble construction.

"Politicians almost always think interest rates should be lower than they are," said Alan Binder, a Princeton University economist and former Fed vice chair.

"This is the major reason we need an independent central bank."

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### INSIDE



#### U.S. NEWS

Justice Department seeks one-day sentence in killing of Breonna Taylor. **A3**



#### MANSION

Teeing up a golf-community purchase? Beware the club waiting list. **M1**

## One Man's Quest to Break A Record for Birthday Freebies

\* \* \*

Competitive freeloaders plan for months to cash in on as many offers as they can

By JULIA MUNSLAW

The night before his birthday, Clint Svatos was up late worrying about whether everything would go to plan.

His schedule was packed with stops all over Los Angeles, starting at 6 a.m. He anticipated eating a lot of sweets, receiving a bunch of gifts and returning home ex-

hausted.

But Svatos wasn't preparing for a day of traditional festivities. He was getting ready to embark on his annual quest to snag as many free or discounted gifts as possible.

The 38-year-old aquatics manager is part of a proud breed of competitive birthday

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## How Altman Outfoxed Musk To Become Trump's AI Buddy

With his rival out of the way, OpenAI's CEO has a clear path to press for company's goals; leaving the Democratic Party

Just two weeks after Elon Musk's spectacular breakup with President Trump, the tech billionaire's nemesis strode into the dining room of the president's New Jersey golf club wearing a suit and a wide smile.

Keach Hagey, Dana Mattioli and Josh Dawsey

Sam Altman, the 40-year-old chief executive of OpenAI, had just finished a long one-on-one meeting with Trump, and the two men were about to dine with the president's

top donors. Trump introduced Altman to the club's applauding members as "a very brilliant man," adding: "I hope he's right about AI."

That warm reception in June was a far cry from the cold shoulder Altman got in the first few weeks after Trump's election. Altman was estranged from Musk, his OpenAI co-founder, and Musk's new position as "first buddy" had kept Altman out of meetings at Mar-a-Lago and in the overflow room at the inauguration rather than on the dais with his

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## Trump's Bawdy Letter to Epstein Was in 50th Birthday Album

By KHADEEJA SAFDAR  
AND JOE PALAZZOLO

It was Jeffrey Epstein's 50th birthday, and Ghislaine Maxwell was preparing a special gift to mark the occasion. She turned to Epstein's family and friends. One of them was Donald Trump.

Maxwell collected letters from Trump and dozens of Epstein's other associates for a 2003 birthday album, according to documents reviewed by The Wall Street Journal.

Pages from the leather-bound album—assembled before Epstein was first arrested in 2006—are among the documents examined by Justice Department officials who investigated Epstein and Maxwell years ago, according to people who have reviewed the pages. It's unclear if any of the pages are part of the Trump administration's recent review.

The president's past relationship with Epstein is at a sensitive moment. The Justice

Department documents, the so-called Epstein files, and who or what is in them are at the center of a storm consuming the Trump administration. On Wednesday, after angry comments about how the files are a hoax created by Democrats, President Trump lashed out at his own supporters for refusing to let the matter go.

The letter bearing Trump's name, which was reviewed by the Journal, is bawdy—like others in the album. It con-

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## U.S. NEWS

# Trump Aides Hit Powell on Fed Building

High renovation costs give the president a cudgel to erode public trust in his adversary

BY NICK TIMIRAO AND BRIAN SCHWARTZ

Few people noticed when a former Federal Reserve economist published a report earlier this year about ballooning costs in the central bank's headquarters renovation. Months later, that obscure budget critique has become the centerpiece of President Trump's pressure campaign against Fed Chair Jerome Powell—and his potential attempt to remove him from office.

Trump might lack the legal authority to fire Powell for not lowering interest rates, but his advisers are seizing on the \$2.5 billion building project as the next best thing: a concrete example of government waste that could erode the public trust Powell needs to function effectively.

On Wednesday, Trump said it was "highly unlikely" he would get rid of Powell, "unless he has to leave for fraud."

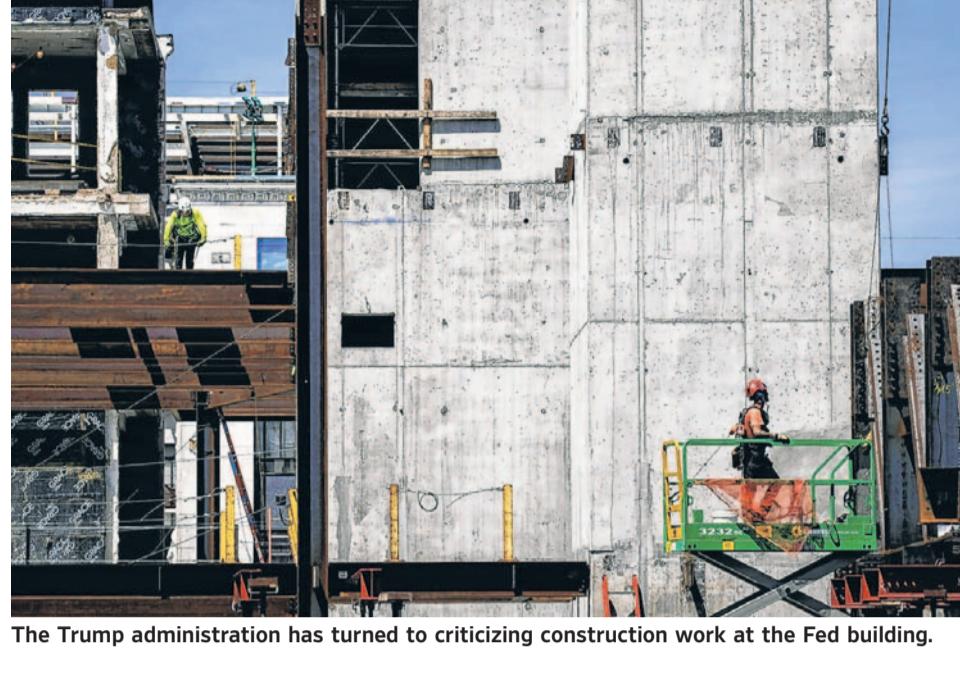
The White House is pointing to cost overruns and marble construction not because it has any legal authority over the central bank's buildings or budgets. Instead, administration officials are hoping to erode people's trust in Powell, build a legal case to force him out, or both.

## Firing floated twice

Trump floated the idea of trying to dismiss Powell in his first term and again this spring, but he abandoned the idea both times after advisers suggested it might be a loser in the courts and with financial markets.

That has led a band of Trump loyalists to sharpen their attack by spotlighting the building project, which has been under way for years, as a possible cudgel to humiliate Powell in the hope he would resign or to attempt an ouster that a court might be willing to bless.

The laws creating the Fed say policymakers can be removed only "for cause," which has been interpreted to mean malfeasance or dereliction of duty. Legal experts doubt the administration has grounds



The Trump administration has turned to criticizing construction work at the Fed building.

## Warsh, Candidate for Chair, Affirms Independence of Job

Former Federal Reserve governor Kevin Warsh said he believes the next Fed chair will maintain the central bank's independence from political pressure, even under the Trump administration.

Warsh was asked in a Thursday CNBC interview whether the next Fed chair would act independently despite potential disagreements with Trump. He answered: "In a word, yes. I've strongly believed for 20

years, and history tells us, that independent conduct of monetary policy is essential."

Warsh is among the candidates Trump has said he is considering to replace Jerome Powell when the Fed chair's term expires in May 2026.

Warsh reiterated his view that the Fed could cut interest rates if it paired those reductions with plans to significantly shrink the central bank's \$6.7 trillion

asset portfolio.

The former Fed official called for the central bank and the Treasury to craft a new accord modeled after the 1951 agreement between the two institutions that gave the Fed greater autonomy over interest-rate policy.

This new accord would outline how the Fed and the Treasury, under Treasury Secretary Scott Bessent, would manage the runoff of the Fed's asset portfolio, he said.

Nick Timiraos

## Fed independence

In public and private, Powell has made clear that he sees protecting the Fed's ability to set interest rates free from political interference as a critical objective for the remaining 10 months of his term. Central banks that lose their independence struggle to maintain credibility with financial markets and control inflation effectively, leading to higher long-term interest rates.

Resigning, or accepting dismissal without a fight, would make Powell complicit in de-

grading the independence he has consistently vowed to protect. For Powell, that stance reflects not personal ambition but rather a commitment to preserving institutional authority for future Fed chairs.

Some Republicans have warned the White House about removing Powell. On the Senate floor on Wednesday, Sen. Thom Tillis (R., N.C.) said it would be a "huge mistake."

"The consequences of firing a Fed chair...will be to undermine the credibility of the United States going forward," he said. "If it happens, you are going to see a pretty immediate response, and we've got to avoid that."

The mechanics of removing Powell could prove messy. The Fed controls its own buildings,

finances and security, meaning Powell could continue operating as chair from Fed headquarters until either a court sanctions his removal or the Senate confirms a replacement named by Trump—creating the potential for a drawn-out institutional standoff.

## Echoes of Nixon

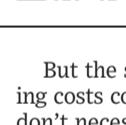
The building brouhaha echoes an effort by President Richard Nixon ahead of the 1972 election to put pressure on his Fed chair, Arthur Burns, to keep interest rates low by planting a false story in the press that Burns was seeking a pay raise at the same time he was proposing national wage and price controls.

Congress gave the Fed full control over its headquarters, which was completed in 1937 and later named for then-Fed Chair Marriner Eccles. The Fed added a second office building on an adjacent vacant parcel in the 1970s, later named for former Fed Chair William McChesney Martin.

The Fed, which is self-funded, secured explicit approval from Congress in a 2000 law to expand its footprint or to enlarge or remodel any buildings. It began contemplating a renovation of the Martin building to include conference space and ultimately completed a top-to-bottom refurbishment in 2021. Attention then turned to a similar renovation of the Eccles building plus a third vacant building across the street that it acquired a few years earlier.

The Fed says the project has faced cost overruns in part because of unforeseen construction conditions such as more asbestos than anticipated, toxic contamination in the soil and a higher-than-expected water table. The project was expensive to begin with because local building authorities secured design changes to make the renovation more compatible with the original building. To make up for lost space, the plans added square footage below ground level, which the Fed said sent up the price tag.

## Watch a Video



How Trump is using building renovations as a way to pressure Powell.

# New Jobless Claims Fell To 221,000 Last Week

By MATT GROSSMAN

The number of Americans who newly filed for unemployment benefits declined last week, the Labor Department said Thursday, another reassuring sign about the health of the job market following a spike in claims this spring.

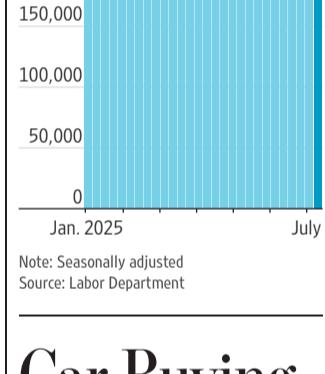
In the week through July 12, new jobless-claim filings fell to 221,000, from a revised 228,000 a week earlier. Economists polled by The Wall Street Journal were forecasting 234,000 claims.

Continuing claims, an indicator of the size of the total unemployed population, came in at 1.96 million in the week through July 5, compared with 1.95 million a week earlier. The continuing-claim data lag the initial-claim data by a week and have been trending higher, in a sign that it has become harder for unemployed people to find work.

This spring, three straight weeks brought reports of more than 245,000 initial claims, a run that looked to some analysts like the start of more serious deterioration in the jobs market. But the tally has subsided again in the past three weeks.

While monthly job creation has slowed, the unemployment rate has held close to steady in recent months at 4.2%.

## Initial jobless claims, weekly



# Car Buying Pushes June Retail Sales Up 0.6%

By KONRAD PUTZIER

Retail sales rose 0.6% in June from May, the Commerce Department said Thursday. That was better than the 0.2% increase economists polled by The Wall Street Journal expected. The increase comes after retail sales fell 0.9% in May.

The increase was driven in part by strong demand for motor vehicles, whose sales rose 1.2%.

Not counting motor vehicles, retail sales rose 0.5% in June. Economists had expected a 0.3% increase.

Sales of clothing, which tends to be tariff-sensitive, rose 0.9% after increasing 0.3% the prior month. Sales of building materials also rose 0.9%. Sales at furniture stores, and electronics and appliances stores, both fell slightly.

The seasonally adjusted retail sales numbers are based on a Census Bureau survey and measure spending at stores, online and in restaurants.

## Monthly change in retail sales for select categories

Motor-vehicle dealers*	1.2%
Clothing stores	0.9%
Restaurants/bars	10.6%
Grocery stores	0.5%
Electronics stores†	-0.1%
Furniture stores‡	-0.1%
Department stores	-0.8%

\*Includes parts dealers †Includes appliances

‡Includes home furnishings

Note: Seasonally adjusted

Source: Commerce Department

# Fed's Global Anchor Role Put at Risk

Continued from Page One

The possibility that the fire-wall could crumble holds the potential to reverberate across markets at an unpredictable moment for the economy. The U.S. is still shaking off years of inflation above the Fed's long-standing 2% target, with recent data showing that price pressures from Trump's trade wars are beginning to mount.

Central bankers and investors the world over are waiting on the Fed's next move.

Economists fear that an unprecedented shakeup at the center of it all could add to the uncertainty—and undermine the Fed's credibility when the next crisis explodes.

That could matter not just for

the U.S. economy, but other countries' economies, too. When markets around the world have spiraled lower in the past, such as during the 1998 Russian debt crisis, the Fed has stepped in to shore them up.

The Fed's ability to do so relies in part on its capacity to keep credit flowing when markets are freezing up, according to Harvard University economist Jeremy Stein. That requires that thousands of Fed employees are able to quickly step into the breach. He worries that threats to the Fed's independence will over time erode the talent and depth of experience of the Fed staff.

"That—and of course the quality of leadership—can potentially make a huge difference in a crisis," said Stein, a governor at the central bank from 2012 to 2014.

The Fed has frequently participated in international financial rescues, such as of Mexico in 1982 and again in 1995, often to prevent a chain

reaction of panic from destabilizing the global financial system. It maintains "swap" lines under which it lends dollars to foreign central banks who then lend the dollars to their own banks when they are under stress. The Fed worked with global central banks and finance ministers in the financial crisis to stop big financial firms from failing.

The Fed typically worked with the administration of the day on these rescues. It's unclear if a Fed more directly controlled by Trump would participate as readily in such efforts, or attach different conditions related to Trump's other priorities.

The tension flaring now during a period of relative calm revolves around the core of Trump's agenda—tariffs—and the extent to which they could spur knock-on inflation in earnest.

Trump's pressure campaign for rate cuts has played out in public in recent months, with the president at times mocking Powell as "Mr. Too Late."

After federal data Tuesday suggested inflation accelerated modestly in June—in part due to tariff impacts—Trump said the central bank should slash its roughly 4.3% federal-funds rate by 3 percentage points.

"You say that to any economist, and they don't know

whether to laugh or cry," said Blinder, who served at the central bank from 1994 to 1996. Low interest rates encourage businesses and consumers to borrow and invest more, which can boost economic growth. They also risk pushing inflation substantially higher.

Low rates can also inflate financial markets. Investors, unable to generate strong returns in safe assets, such as short-term Treasury notes, will move into progressively higher-risk assets, where returns are higher, but so is the danger of steep losses.

While low rates can fuel an asset bubble, they can also make it more difficult for the Fed to right the economy after a bubble bursts, notes Robert Barbera, director of the Center for Financial Economics at Johns Hopkins University.

That is because with rates already low, the central bank would have less scope for cutting them further. "The room to deliver largesse will greatly shrink if you're in the largesse-provision business all of the time," he said.

The Fed sets a short-term lending rate called the federal-funds rate. Trump has argued that the Fed should lower rates because it could help reduce interest payments on the U.S. government's massive pile of debt.

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## U.S. NEWS

# National-Security Worries Slow Chips Deal

Some U.S. officials are concerned China could get access to advanced technology

BY AMRITH RAMKUMAR AND ELIOT BROWN

Some Trump administration officials are holding up efforts to finalize a landmark agreement that would open the door to the United Arab Emirates buying billions of dollars in Nvidia's cutting-edge artificial-intelligence chips, due to national-security concerns.

President Trump championed the agreement during a Middle East trip in May, and the sides hoped to work out the details quickly. Chip designer Nvidia looked forward to the sales.

Yet the countries haven't been able to hash out the specifics to date, in part because some U.S. officials have ex-

pressed concerns that China could get access to the cutting-edge U.S. technology, people familiar with the talks said.

The disagreement might not be resolved unless the U.A.E. agrees to different terms to address the U.S. officials' national-security concerns, the people said.

The officials have discussed, for instance, cutting off direct access to chips by G42, an AI firm based in Abu Dhabi that was slated to get access to roughly 20% of the semiconductors as part of the agreement.

The Commerce Department now doesn't plan to approve chips going to G42, though it may in the future, some of the people said.

Commerce Secretary Wanda Lutnick "is confident that the implementation plan for the deal signed in the Emirates will continue on time and on schedule," a spokesman said. U.A.E. officials also expressed

optimism about the discussions. The deal "will deliver enormous benefits to both countries," the U.A.E.'s ambassador to the U.S., Yousef Al Otaiba, said.

Many involved in the negotiations expect the chip deal to eventually go through. Lutnick and other U.S. officials met with representatives from the U.A.E. on Tuesday at a tech-and-energy summit in Pittsburgh and discussed how to move the agreement forward, the people said.

The slow pace, however, has pitted administration officials against each other, while frustrating some tech-industry executives seeking to boost their AI businesses overseas, according to the people.

Nvidia Chief Executive Jensen Huang told Trump about the importance of the agreement during a recent meeting, people familiar with the discussion said.

Some administration offi-

cials fear the Chinese tech firm Huawei, which has been trying to sell chips in the Middle East, could capitalize on the delay.

The challenges moving the agreement forward show the thorny security issues raised by exporting the highest-performance AI technology.

At the center of the holdup are some of the most advanced semiconductors available, chips from Nvidia that would power AI data centers. The facilities—and the chips that power them—are the lifeblood of the burgeoning AI industry. They are considered critical to winning a race between the U.S. and China to develop cutting-edge AI capabilities.

Gulf countries like the U.A.E. and Saudi Arabia, which is pursuing its own agreement with the U.S., have sought to house data centers to boost their own tech industries and diversify their economies.

The U.S.-U.A.E. deal came

together quickly and required many details to be ironed out, including national-security provisions. It was a nonbinding commitment.

Under the broad terms, the U.A.E. would receive hundreds of thousands of Nvidia chips over years and help build data centers. Most of the chips would go to U.S. tech companies operating the data centers.

ChatGPT maker OpenAI and Microsoft are among the companies expected to operate data centers in the U.A.E. To have chips exported to the U.A.E., the companies would need licenses that would likely have to be approved by several U.S. agencies, a process likely to increase scrutiny of the national-security implications.

Aside from getting earmarked for 20% of the chips in the deal, G42 could also have some involvement in the U.A.E. data centers operated by U.S. companies.

Some administration offi-

cial could find ways to access the advanced chips through G42 or other U.A.E. entities and personnel involved in the project, according to the people familiar with the matter.

Changing the agreement to no longer send chips directly to G42 could anger the Emiratis, who see the deal as vital to keeping pace in AI and saw G42's involvement as a central part of the framework agreed to in May.

Slowing the deal has bothered some officials including White House AI czar David Sacks, who has embraced the idea of exporting the latest U.S. chips to the Middle East and the investment that comes with it. "If we don't provide the technology, then our global competitors will," Sacks said at the summit in Pittsburgh, adding that concern about chips being diverted "has been wildly blown out of proportion."

Sacks was a lead architect of the U.S.-U.A.E. chip deal.

## White House Plans Executive Order To Target 'Woke AI'

BY AMRITH RAMKUMAR AND ANNIE LINSKEY

White House officials are preparing an executive order targeting tech companies with what they see as "woke" artificial-intelligence models, their latest effort to go after diversity, equity and inclusion initiatives, said people familiar with the matter.

The order would dictate that AI companies getting federal contracts be politically neutral and unbiased, an effort to combat what administration officials see as overly liberal AI models, the people said.

As AI chatbots such as Google's Gemini have proliferated, some conservatives have argued they are politically liberal. Companies have come under fire for specific prompt responses that have angered consumers or for images inaccurately depicting historical figures as people of color. Google took heat last year after its Gemini AI assistant showed a black George Washington and racially diverse Nazis.

The trend has troubled AI Czar David Sacks and Sriram Krishnan, senior White House policy adviser for AI, the architects of the executive order and two of Trump's top tech advisers, the people said.

Because nearly all major tech companies are vying to have their AI tools used by the federal government, the order could have far-reaching impacts and force developers to be extremely careful about how their models are developed.

The order targeting "woke" AI is expected to be among the most controversial measures because it could be seen by some in the tech industry as playing favorites among developers.

Elon Musk's xAI, for example, has made political neutrality and being "anti-woke" a priority. But it faced criticism recently when its Grok chatbot presented antisemitic content praising Hitler. Musk and Sacks are close friends and former colleagues. Musk recently left the administration after a public feud with Trump.

The executive order would be one of several expected to be released next week outlining President Trump's vision for winning the AI race with China, the people said. Trump is expected to speak about his AI "action plan" at that time.

Another order is expected to promote exports of U.S. chips and AI tools using organizations like the U.S. Export-Import Bank, the people said. Sending technology to countries friendly with the U.S. is a priority for the administration to ensure they run on American AI and not Chinese products. Sacks and Krishnan have spearheaded an effort to speed up exports of high-performance AI chips from Nvidia to countries such as the United Arab Emirates.

Speeding up permitting for data centers needed to train models and accelerating energy production for those data centers also is expected to be a focus. Trump, Sacks and other administration officials hailed tens of billions of dollars of investment into those types of projects in Pittsburgh this week.

The White House didn't respond to a request for comment. A spokeswoman for the Office of Science and Technology Policy, which is overseeing some of the AI work, declined to comment.

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## Trump Diagnosed With Common Vein Condition

BY JENNIFER CALFAS AND BETSY MCKAY

President Trump was diagnosed with a common vein condition after he identified "mild swelling" in his legs, the White House said Thursday.

White House press secretary Karoline Leavitt said the president was diagnosed with chronic venous insufficiency after undergoing a comprehensive exam by his physician.

Chronic venous insufficiency is a condition in which valves inside the veins don't work properly and allow blood to collect or transmit down the leg, said Dr. Sean Lyden, chair of vascular surgery at the Cleveland Clinic. Without treatment, blood pressure in the leg veins can increase to the point that capillaries burst, giving the skin a reddish-brown color and increasing the risk that it will break

open, according to the clinic. The condition, which can cause swelling in a person's lower legs and ankles, affects 1 in 20 adults.

The condition isn't serious, Lyden said, and can be treated by wearing compression stockings to help prevent blood from pooling. The most common complication is swelling, and the hardest part is getting people to wear the stockings regularly, he said.

Trump's condition is more advanced than varicose veins, but not as severe as other forms of chronic venous insufficiency, according to Dr. Prakash Krishnan, director of Endovascular Interventions at Mount Sinai Fuster Heart Hospital in New York City. Causes include a genetic predisposition, aging, being overweight, or a job that requires a person to spend a lot of time on their feet, he said.

The Justice Department declined to comment. An lawyer for Hankison didn't respond to



## Her Ballads Ruled '60s Pop Music

Connie Francis, the wholesome pop star of the 1950s and '60s whose hits included

"Pretty Little Baby" and "Who's Sorry Now?"—the latter would serve as an ironic title for

a personal life filled with heartbreak and tragedy—has died at age 87.

Earlier this month, Francis posted that she had been hospitalized with "extreme pain." Francis had gained renewed attention in recent months after "Pretty Little Baby" became a sensation on TikTok, with Kim Kardashian and Kylie Jenner among the many celebrities citing it.

Francis was a top performer of the pre-Beatles era, rarely out of the charts from 1957-64. Able to appeal to both young people and adults, she had more than a dozen Top 20 hits, starting with "Who's Sorry Now?" and including the No. 1 songs "Don't Break the Heart That Loves You" and "The Heart Has a Mind of Its Own." She also starred in several films, including "Where the Boys Are" and "Follow the Boys."

(Left, Francis in a record store in 1958.)

The dark-haired singer was just 17 when she signed a contract with MGM Records.

A romance bloomed with fellow teen idol Bobby Darin. But when her father heard rumors, he stormed into a rehearsal and pulled a gun on Darin, ending their relationship and seeming to set Francis on a pained and traumatic path. She was married four times and would say that only her third husband, Joseph Garzilli, was worth the trouble.

—Associated Press

## DOJ Seeks One-Day Sentence in EMT's Death

BY JOSEPH DE AVILA

The Justice Department is seeking a one-day prison sentence for one of the former Louisville, Ky., police officers involved in the botched 2020 raid that led to the death of Breonna Taylor.

Brett Hankison, a former Louisville Metro Police Department officer, was convicted in 2024 of civil rights abuse when he fired 10 shots through Taylor's home. Hankison's shots didn't strike Taylor, however. He faces a maximum sentence of life in prison.

The Justice Department's sentencing memo said the government respects the jury's guilty verdict and it likely will ensure that Hankison never again serves as a law-enforcement officer and that he never again legally possesses a firearm. Adding a lengthy sentence on top of those consequences "would, in the government's view, simply be unjust under these circumstances," the memo said.

The Justice Department declined to comment. An lawyer for Hankison didn't respond to

a request for comment.

The judge in the case will consider the Justice Department's recommendation when sentencing Hankison. The department is also seeking Hankison be granted time served, giving him credit for the day he was booked and his initial court appearance.

Ben Crump, a lawyer for Taylor's family, said the "recommendation is an insult to the life of Breonna Taylor."

"This sets a dangerous precedent," Crump said.



TIMOTHY D'EASLEY/ASSOCIATED PRESS

"When a police officer is found guilty of violating someone's constitutional rights, there must be real accountability and justice. Recommending just one day in prison sends the unmistakable message that white officers can violate the civil rights of Black Americans with near-total impunity."

Taylor, a 26-year-old emergency-medical technician, was asleep with her boyfriend in March 2020 when police forced entry into her apart-



SAM MIGA/GETTY IMAGES

Brett Hankison, left, a former Louisville Metro Police officer; Breonna Taylor was killed in 2020.

ment. Officers came to search her home in connection with a drug case. Her boyfriend, Kenneth Walker, believing the police were intruders, fired one shot with a handgun, hitting one officer in the leg. Police fired more than 30 rounds, several of which hit Taylor.

One other person has been convicted in connection to the raid on Taylor's home. Kelly Goodlett, a former detective, pleaded guilty in 2022 to federal charges that she falsified an affidavit to obtain a warrant to search Taylor's home without probable cause.

The officer who fired the shots that killed Taylor, Myles Cosgrove, never faced criminal charges for his role in the raid. The Louisville Metro Police Department fired him in 2021.

U.S. Rep. Morgan McGarvey, a Democrat who represents Louisville, denounced the DOJ's recommendation.

"The fact that Donald Trump's DOJ thinks Breonna Taylor's life is worth just a one-day jail sentence is morally reprehensible and deeply insulting," McGarvey said.

## U.S. NEWS

# Crypto Bills Advance After Trump Rallies GOP

BY AMRITH RAMKUMAR

**WASHINGTON**—The House of Representatives advanced three bills Thursday aimed at setting up regulations for cryptocurrencies, continuing the industry's recent momentum on Capitol Hill.

In a bipartisan 308-122 vote on Thursday, the House passed a bill laying out standards for stablecoins, a popular type of digital currency whose price is pegged to the dollar or other traditional currency. The bill, called the Genius Act, passed the Senate in June and is now poised to become the first-ever U.S. piece of crypto legislation once President Trump signs it into law, as he has in-

dicated he would.

The House also passed a broader bill laying out rules for crypto exchanges, brokers and issuers. The legislation determines which regulators will oversee the digital-asset markets and will now go to the Senate.

"It's critically important we bring more certainty to the marketplace with clear rules of the road," said Rep. Josh Gottheimer (D., N.J.), one of the Democrats who supported the two GOP-led bills.

The third bill passed by lawmakers would ban central-bank digital currencies.

Crypto companies such as Coinbase Global and Circle have sought legislation to

bring regulatory clarity to their businesses after costly battles with regulators under the Biden administration. They found allies in Trump and many Republicans after pouring money into last year's election.

House leadership declared this to be "Crypto Week" with the chamber moving ahead with long-simmering legislation.

The industry has been expanding in the U.S. since the election, attracted by the ad-

ministration's loose approach to crypto regulations and the prospect of legislation passing in Congress. Bitcoin prices surged to record highs above \$120,000 on Monday.

The president rallied support earlier in the week from Republican lawmakers who blocked procedural votes over concerns about the Federal Reserve

issuing a central-bank digital currency. Some conservatives worry that a centralized digital currency could be used for

government surveillance.

Members of the Freedom Caucus and others who raised concerns eventually got on board after House leadership agreed to attach a provision banning a central-bank digital currency to an annual defense spending bill that must be passed.

Some Democrats raised conflict of interest concerns, given Trump is expected to sign a bill into law regulating an industry where his family has active business interests. But many lawmakers said setting up regulations was the best way to address those concerns and create a level playing field.

"None of this is going to be

## Legislation sets standards for stablecoins and rules for exchanges.

### U.S. WATCH



**OBSTRUCTED VIEW:** Smoke from the Dragon Bravo fire fills the Grand Canyon in Arizona on Thursday. Two wildfires have been burning out of control near the North Rim of the canyon.

**OBITUARY****Philadelphia Eagles' Bryan Braman, 38**

Bryan Braman, a key special teams player for the Philadelphia Eagles' first Super Bowl championship team, has died from a rare and aggressive form of cancer. He was 38.

Braman was diagnosed earlier this year and had multiple surgeries in recent months in an attempt to treat the illness. He died

Thursday morning, according to the team.

Signed as an undrafted free agent by the Texans in 2011, Braman played seven seasons in the NFL. He spent his first three in Houston and last four in Philadelphia. The Eagles beat the Patriots 41-33 to win the franchise's first Super Bowl in Braman's final game on Feb. 4, 2018. He gave a fiery speech in the locker room before that game.

—Associated Press

**FLORIDA****Redistricting Map Challenge Rejected**

Florida's Supreme Court on Thursday upheld the state's current congressional redistricting map, rejecting a challenge over the elimination of a majority-Black district in north Florida.

The court, dominated by appointees of Republican Gov. Ron DeSantis, ruled that restoration of the district that previously united Black communities from Jacksonville to west of Tallahassee, or across 200 miles, would amount to impermissible racial gerrymandering. That, the majority ruled, violates the Constitution's equal protection guarantees. "The record leaves no doubt that such a district would be race-pre-dominant," said Chief Justice Carlos Muniz.

The decision means Florida's current congressional districts that give Republicans a 20-8 advantage over Democrats will remain in place for the 2026 midterm elections and beyond.

The National Redistricting Foundation said the ruling "diminishes the voting power of Black Floridians" by upholding the GOP-drawn map.

—Associated Press

**IDAHO****Gag Order Lifted In Kohberger Case**

An Idaho judge lifted a sweeping gag order Thursday in Bryan Kohberger's quadruple-murder case.

Kohberger avoided a potential death sentence by pleading guilty this month to the brutal stabbing deaths of four University of Idaho students in 2022.

A coalition of news organizations including the Associated Press had asked the court to lift the gag order.

In a hearing Thursday morning, Judge Steven Hippler agreed that lifting the gag order would protect the First Amendment rights of the public and press.

"The primary purpose of the non-dissemination order, which is to ensure that we can seat an impartial jury, is no longer at play," Hippler said. He said he couldn't justify continuing the gag order because the public has the right to receive information about the case, and those rights are "paramount."

Kohberger admitted to breaking into the rental home and killing the four friends.

—Associated Press

## Railroad Operators In Talks

*Continued from Page One*  
more favorable regulatory environment under President Trump, a Republican.

The current chairman of the STB, Patrick Fuchs, who took over the chairmanship in January, has said that he plans to speed up the rulings on disputes and other legal decisions. Fuchs said earlier this year that several long-running proceedings have already been expedited.

Norfolk is seen as a vulnerable target today,

Late last year, Norfolk's Chief Executive Alan Shaw left the company after a board investigation into an alleged relationship he had with an employee.

That came after the company fended off activist investor Ancora Holdings, which had criticized the railroad's response to its 2023 Ohio derailment and its sluggish financial performance.

Union Pacific, based in Omaha, Neb., is one of the two major railroads operating west of the Mississippi.

The freight railroad had been in the crosshairs of the STB for service and labor issues. Under former chairman Martin Oberman, the regulator has held public hearings and criticized Union Pacific over embargoes.

The last time federal regulators approved a major railroad merger was in 2023. Canadian Pacific Railway and Kansas City Southern sought to merge in a deal to create the first freight rail network linking Canada, the U.S. and Mexico.

Some federal agencies, communities, rail customers and other railroads including Union Pacific had pushed back against the merger since it was announced in 2021. They had concerns about reduced competition, higher shipping rates and the possibility of worse rail service.

A deal between Union Pacific and Norfolk, if completed, could also mark the largest corporate transaction this year, in what has been an underwhelming dealmaking environment through the first half of the year.

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## Congress OKs Trump Clawbacks

*Continued from Page One*  
represent about one-tenth of 1% of the roughly \$7 trillion federal budget. Most of the federal government's spending is on Social Security, Medicare and related health programs, as well as interest on debt.

Rep. Mark Harris (R., N.C.) said the rescissions package was "proof that Congress can and will act responsibly when it wants to."

The rescission votes came just weeks after Congress passed Trump's "one, big beautiful bill," which extended tax cuts and introduced new ones, while cutting spending on Medicaid and food aid. The law will increase budget deficits by an estimated \$3.4 trillion through 2034, compared with doing nothing, according to the Congressional Budget Office.

"They are pretending to be fiscal hawks," Sen. Patty Murray (D., Wash.) said of Republicans.

House Minority Leader Hakeem Jeffries (D., N.Y.) warned the cuts will hurt "everyday Americans, will hurt children, will hurt families, will hurt older Americans and will hurt people that Republicans represent in rural America—all while undermining American leadership in the world."

Some Republicans who had previously raised concerns about the package ended up voting for it.

"I suspect we're going to find out there are some things that we're going to regret...And I suspect when we do, we'll have to come back and fix them," said Sen. Thom Tillis (R., N.C.), explaining his support.

The congressional action effectively codifies steps by the administration to slash foreign-aid programs, including the U.S. Agency for International Development, which was shuttered earlier this year and folded into the State Department. It also struck a major blow to the Corporation for Public Broadcasting, a private, nonprofit corporation that was authorized during the Johnson

administration in 1967. The bill proposed that lawmakers claw back funding they previously doled out, including \$7.9 billion from foreign-aid programs. The plan also would rescind \$1.1 billion from the CPB—the organization that oversees government funding for National Public Radio and the Public Broadcasting Service—defunding it for the next two fiscal years.

Republicans have long criticized NPR and PBS for what they see as a liberal bias. Trump, a Republican, threatened GOP senators last week that he would withhold his endorsement from anyone who opposed the cuts.

"The government doesn't have any business getting into the media business," Sen. John Cornyn (R., Texas) said.

While NPR and PBS and their local stations also receive funds through donations from viewers and foundations, it won't make up for the shortfall from the loss of federal money. The CPB has said more than 70% of its annual appropriations go to the more than 1,500 public radio and television stations.

Stations outside of major markets such as New York and Los Angeles will be particularly hard hit. The CPB is expected to seek funding during the next regular appropriations process, people familiar with the matter said.

"It's not legislating, it's basically the White House saying, this is what we want you to do. Take it or leave it. Trust us," Murkowski said.

Murkowski, a senior Republican on the Senate Appropriations Committee, said Vought "thinks that we are irrelevant." She said the rescissions process, which requires a majority vote rather than the 60 votes typically required in the Senate, wasn't the right way to cut spending.

"It's not legislating, it's basically the White House saying, this is what we want you to do. Take it or leave it. Trust us," Murkowski said.



Senate Majority Leader John Thune (R., S.D.) on Thursday.

## Budget director Russ Vought talked of pursuing more defunding.

AL DRAGO/BLOOMBERG NEWS



NEW ARRIVAL

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## U.S. NEWS

# President Asks Release of Some Documents

Call for Bondi to air Epstein grand-jury transcripts follows Journal's article

WASHINGTON—President Trump called for the release of additional documents related to the investigation of convicted sex offender Jeffrey Epstein following the publication of an article in The Wall Street Journal about a letter bearing Trump's name that was included in a 2003 birthday album for the disgraced financier.

By Natalie Andrews,  
Annie Linskey and  
Sadie Gurman

Trump, in a Thursday night social-media post, said he had directed Attorney General Pam Bondi to "produce any and all pertinent Grand Jury testimony, subject to Court approval!" Bondi wrote on X that she was ready to ask a court Friday to unseal the grand jury transcripts.

Releasing Epstein-related documents became a rallying cry for many of Trump's top allies during the Biden administration and the 2024 presidential campaign. Trump, who had socialized with Epstein in the past, said during the campaign that he would release details about the investigation.

Last week, the Justice Department incensed many in Trump's political base when it said in a memo that a thorough review had turned up no list of Epstein's clients nor any additional documents that warrant public disclosure. Far-right media figures have long alleged a government coverup in the case of Epstein, who killed himself in jail in 2019 while awaiting trial on federal charges of sex trafficking.

Some of Trump's most prominent supporters have called for Bondi's resignation amid the fallout, but Trump has stood by her.

On Wednesday, the Justice Department fired federal prosecutor Maurene Comey, daughter of former FBI Director James Comey, who was involved in prosecutions of Epstein and his associate Ghislaine Maxwell. In early 2024, Maurene Comey filed a declaration in federal court asking a judge to decline to make Epstein-related records public in response to a Freedom of Information Act request. Comey said that the

release of the records, which included witness statements and other materials from the investigation, could interfere with any retrial of Maxwell. The judge denied the request.

On Thursday, the White House said Trump won't recommend a special prosecutor in the Epstein case.

Earlier this week, Trump had criticized his own supporters for opposing his ad-

ministration's decision not to release more material from the investigation, accusing them of buying into a Democratic narrative.

A poll by Quinnipiac University published on Wednesday showed nearly 36% of Republicans disapproved of the administration's handling of the matter, and 40% ap-

proved. In a social-media post

Thursday, Trump threatened to sue The Wall Street Journal for publishing the article about the birthday album letter, calling it "false, malicious, and defamatory." The president also said he planned to sue News Corp, the parent company of Dow Jones, which publishes the Journal, as well as Rupert Murdoch, the chair emeritus of News Corp. A News Corp spokesman didn't respond to a request for comment.

The Wall Street Journal reported on Thursday that Epstein's then-aide Maxwell collected letters from Trump and dozens of Epstein's other

## Releasing Epstein files has been a rallying cry for many Trump allies.



Aaron Schwartz/Press Pool

The Justice Department under Attorney General Pam Bondi has said it found no new Epstein documents warranting disclosure.

Among those who submitted letters were billionaire Leslie Wexner and attorney Alan Dershowitz. The album also contained a letter from a now-deceased Harvard economist, one of Epstein's report cards from Mark Twain junior high school in Brooklyn and a note from a former assistant that included an acrostic with Epstein's name: "Jeffrey, oh Jeffrey! Everyone loves you! Fun in the sun! Fun just for fun! Remember...don't forget me soon! Epstein...you rock! You are the best!"

Epstein was Wexner's money manager at the time. The longtime leader of Victoria's Secret wrote a short message that said: "I wanted to get you what you want... so here it is...." After the text was a line drawing of what appeared to be a woman's breasts. Wexner declined to comment through a spokesman.

Wexner's spokesman previously told the Journal that the retail mogul "severed all ties with Epstein in 2007

and never spoke with him again."

Dershowitz's letter included a mock-up of a "Vanity Fair" magazine cover with mock headlines such as "Who

was Jack the Ripper? Was it Jeffrey Epstein?" He joked that he had convinced the magazine to change the focus of an article from Epstein to Bill Clinton. Dershowitz, who represented Epstein after his first arrest, said, "It's been a long time and I don't recall the content of what I may have written."

The book was put together by a New York City bookbinder, Herbert Weitz, according to people who were involved in the process. Weitz, who died in 2020, listed Epstein as a client on his website in 2003.

It isn't clear how the letter with Trump's signature was prepared. Inside the outline of the naked woman was a typewritten note styled as an imaginary conversation between Trump and Epstein, written in the third person.

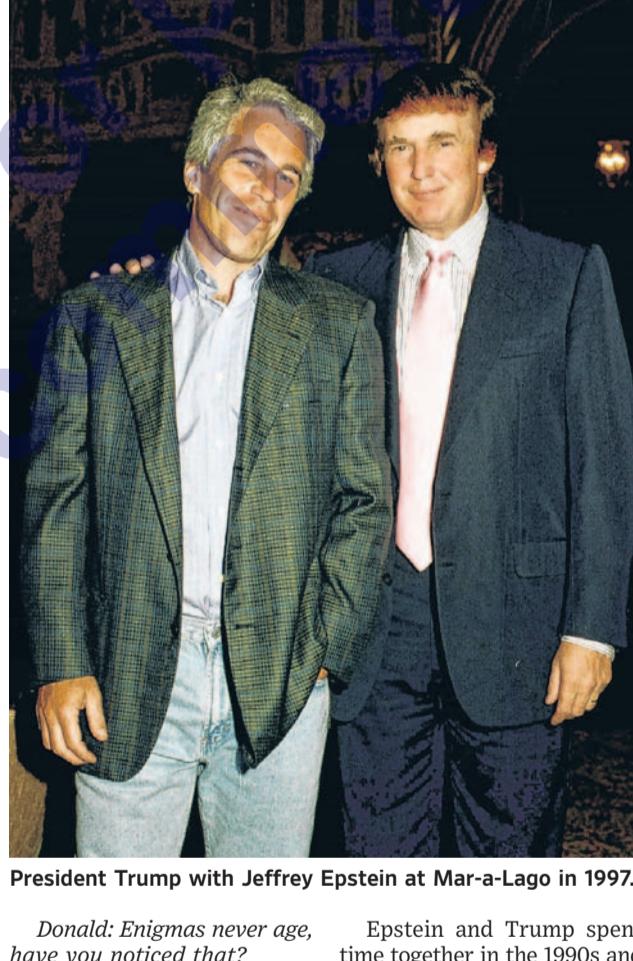
"Voice Over: There must be more to life than having everything," the note began.

Donald: Yes, there is, but I won't tell you what it is.

Jeffrey: Nor will I, since I also know what it is.

Donald: We have certain things in common, Jeffrey.

Jeffrey: Yes, we do, come to think of it.



President Trump with Jeffrey Epstein at Mar-a-Lago in 1997.

Donald: Enigmas never age, have you noticed that?

Jeffrey: As a matter of fact, it was clear to me the last time I saw you.

Donald: A pal is a wonderful thing. Happy Birthday — and may every day be another wonderful secret.

## 'Terrific guy'

When he turned 50, Epstein was already wealthy from managing Wexner's fortune and was socializing with Trump, Clinton and other powerful people. He often entertained at his Manhattan

Epstein and Trump spent time together in the 1990s and early 2000s and were photographed at social events, including with Maxwell and Melania Trump. A 1992 tape from the NBC archives shows Trump partying with Epstein at his Mar-a-Lago estate; Trump is seen pulling a woman toward him and patting her behind.

Trump, along with others including Clinton, also appeared several times on flight logs for Epstein's private jet.

A 2002 New York magazine profile of Epstein quoted Trump. "I've known Jeff for 15

years. Terrific guy," Trump said. "He's a lot of fun to be with. It is even said that he likes beautiful women as much as I do, and many of them are on the younger side. No doubt about it—Jeffrey enjoys his social life."

Both men said that they subsequently had a falling-out.

townhouse, Palm Beach, Fla., home and private Caribbean island.

A spokesman for Clinton referred to a 2019 statement that former President Clinton had cut off ties more than a decade before Epstein's second arrest and didn't know about Epstein's alleged crimes.

years. Terrific guy," Trump said. "He's a lot of fun to be with. It is even said that he likes beautiful women as much as I do, and many of them are on the younger side. No doubt about it—Jeffrey enjoys his social life."

Both men said that they subsequently had a falling-out.

In June 2024, Trump was asked in a Fox News interview

associates for a 2003 birthday album. The letter bearing Trump's name contained several lines of typewritten text framed by the outline of a naked woman, which appears to be hand-drawn with a heavy marker. It ends with "Happy Birthday—and may every day be another wonderful secret."

"The Press has to learn to be truthful, and not rely on sources that probably don't even exist," Trump wrote, citing his recent efforts to settle lawsuits with other news organizations.

The president said he told Murdoch and Emma Tucker, the Journal's editor in chief, before publication that the letter referenced in the Journal article was "a FAKE." Tucker declined to comment through a spokeswoman.

Vice President JD Vance also criticized the article on X. "Forgive my language but this story is complete and utter bull—. The WSJ should be ashamed for publishing it," he wrote. "Where is this letter? Would you be shocked to learn they never showed it to us before publishing it? Does anyone honestly believe this sounds like Donald Trump?"

Elon Musk, the billionaire former Trump adviser who has publicly feuded with the president, also used his platform to cast doubt on the story, suggesting the language in the birthday letter didn't sound like Trump's voice.

Musk had previously suggested that Trump hasn't released Epstein's files because the president's name appears in them. He later deleted that message.

Democrats have criticized Trump for his handling of the Epstein documents. "I think we now know EXACTLY why Donald Trump refuses to release the Epstein files," said Rep. Pat Ryan (D, N.Y.), in response to the story.

whether he would release the Epstein case files. The Republican presidential candidate initially responded, "Yeah, I would." But he also expressed some reservations. "You don't want to affect people's lives if it's phony stuff in there, because it's a lot of phony stuff with that whole world. But I think I would."

Soon after she was confirmed as attorney general, Bondi said she was preparing to release new Epstein files. In late February, Bondi announced the release of "Phase 1" of the documents. But the material contained few new revelations, drawing criticism from right-wing influencers.

Maxwell, a British socialite, was convicted in 2021 of helping Epstein's sex-trafficking and sentenced to 20 years in prison. Maxwell didn't respond to a letter requesting an interview sent to her in prison. Arthur Aidala, an attorney who represented Maxwell, said, "At this point, she is focused on her case before the Supreme Court of the United States."

## FBI's Epstein files

Epstein's associations with Trump and many powerful people have been well documented. There remain questions about what the FBI possesses about Epstein and his well-connected friends.

In 2019, the FBI confiscated evidence from Epstein's properties in the U.S. Virgin Islands and New York.

Earlier this week, after the Journal sought comment from the president about the letter, Trump told reporters at the White House that he believed some Epstein files were "made up" by former Presidents Barack Obama and Joe Biden and former FBI Director James Comey.

He said that releasing any more Epstein files would be up to Attorney General Pam Bondi. "Whatever she thinks is credible, she should release," Trump said.

Allegations that bureaucrats covered up Epstein's connections with participants in his trafficking scheme were fanned by people now in top roles in the Trump administration, including FBI Director Kash Patel and his deputy, Dan Bongino.

At a cabinet meeting on July 8, Trump criticized a reporter for asking about Epstein. "Are people still talking about this guy, this creep?"

Trump said. "That is unbelievable. Do you want to waste the time?"

That same day, Musk wrote on X: "How can people be expected to have faith in Trump if he won't release the Epstein files?"

## WORLD NEWS

## Drones Target Moscow and St. Petersburg

Kyiv's recent hits on major Russian cities come after Trump raised the question

BY MATTHEW LUXMOORE  
AND THOMAS GROVE

Russia said more than 100 Ukrainian drones targeted Moscow and various parts of the country on Thursday, less than two weeks after President Trump asked Ukraine's leader, Volodymyr Zelensky, whether Kyiv could strike the Russian capital and St. Petersburg, the country's second-largest city.

Russia's Defense Ministry said its air defenses downed 122 Ukrainian drones overnight into Thursday, as both countries lean into aerial assaults amid a slowdown on the battlefield and stalled efforts to achieve peace.

Still, the scale of recent Russian attacks on Ukraine outweighs those launched in the other direction. In one salvo last week, Russia unleashed more than 700 drones and missiles across Ukraine, the largest such assault of the war, now well into its fourth year.

Kyiv didn't respond to a request for comment on the latest drone strikes.

The mayor of Moscow, Sergei Sobyanin, said three drones flying toward the Russian capital were destroyed. Authorities said a district just east of St. Petersburg was targeted. The city's main airport temporarily canceled flights, but didn't cite the threat from drones.

In the Voronezh region, near the border with Ukraine, authorities said three children were injured after debris from a downed drone struck a multistory apartment block. Smolensk, a region west of Moscow, also reported casualties from falling drone debris.

Russian attacks on Ukrainian cities also have continued during the week. On Tuesday, the head of the eastern region



A Ukrainian drone hit an apartment building in Voronezh. Russia said it downed 122 Ukrainian drones overnight into Thursday.

Ukraine needed long-range precision American weapons—the sort that would make strikes inside Russia more damaging.

The White House offered a different interpretation of the July 4 call between the two leaders this week, saying Trump "was merely asking a question, not encouraging further killing."

On Thursday, Zelensky said in an interview with the New York Post that he was discussing a "megadeal" with Trump under which the U.S. would buy battlefield-tested Ukrainian drones in exchange for Kyiv's agreeing to buy weapons from the U.S. The White House didn't respond to a request to comment.

Zelensky said the possible agreement would allow both countries to develop aerial technology. Ukraine has dramatically expanded its production of drones, with dozens of factories across the country manufacturing millions of the explosive unmanned aircraft each year. Zelensky said it would trade lessons from the war with the U.S. military, which has identified drone production as a priority.

Russia and Ukraine continue the process of fulfilling agreements struck in the course of peace talks that took place during the spring in Istanbul but which have since stalled.

On Thursday, senior Putin aide Vladimir Medinsky, who led Russia's delegation in those talks, said that the Russian side has handed over the bodies of 1,000 Ukrainian soldiers killed in fighting.

Medinsky said Kyiv handed over 19 dead Russian soldiers, a figure confirmed by a Ukrainian official familiar with the matter. The official said Ukraine can't collect the bodies of dead Russian soldiers to hand over to Moscow because the territory on which these bodies lie is an area of active hostilities.

### Zelensky Names New Ukrainian Prime Minister

Ukrainian President Volodymyr Zelensky appointed a new prime minister—tapping the key negotiator of his country's deal with the U.S. on the development of minerals.

By naming Yulia Svyrydenko, the former economy minister, to be-

come the nation's first new head of government since Russia's 2022 invasion of Ukraine, Zelensky on Thursday elevated a loyal politician who has experience in diplomacy with Western nations. Among other things, the 39-year-old negotiated with other

countries to impose sanctions on Russia in 2022.

The outgoing prime minister, Denys Shmyhal, will become defense minister as Ukraine looks to increase domestic weapons production, and as President Trump seeks to end the war.

—Associated Press

## U.K. Tries to Mend EU Fences

BY MAX COLCHESTER  
AND BERTRAND BENOIT

LONDON—The U.K. government is increasingly stitching itself back into the political fabric of Europe, strengthening alliances with key European Union states in light of Russian aggression on the Continent and an unpredictable U.S. president.

U.K. Prime Minister Keir Starmer on Thursday welcomed German Chancellor Friedrich Merz to London, signing a first-of-its-kind Bilateral Friendship and Cooperation Treaty, to foster closer cooperation on defense and tighter economic ties.

Last week, it was the turn of French President Emmanuel Macron to receive Britain's red-carpet treatment, as he was hosted by King Charles III during a state visit.

The choreographed display of solidarity comes as European neighbors tighten ranks, buffeted by a hawkish Russia, an erratic White House and sluggish economic growth.

Russia's invasion of Ukraine

has raised questions about the Continent's ability to wage a war of defense. President Trump's administration has threatened European allies with punitive tariffs of 30%, runs hot and cold about collective defense under the North Atlantic Treaty Organization and is granting military aid to Ukraine on condition European countries pay for it. So the Continent's big-hitting economies are increasingly looking to each other for support.

Britain is proving particularly eager to maximize this window of opportunity for European mutual assistance. The U.K. officially left the EU five years ago, harming its economy and leaving it diplomatically adrift in Europe.

Starmer's government shows no intention of fully rejoining the trade bloc but it wants to reverse some of the damage.

The U.K. government is eager to seal bilateral agreements with European countries to smooth some trade frictions to bolster its economy, get help tackling illegal migration flow-

ing to Britain via the Continent and use its large military to regain a leadership role in Europe. Some analysts say these deals alone won't offset the effects of Brexit, which will result in imports and exports being 15% lower than if it had remained in the EU, according to Britain's budget watchdog.

The U.K. and the EU have intensified efforts to lock in new trade ties in recent months, including slashing border checks on food exports, as they seek to protect European companies from the impact of the Trump administration's tariffs. In May, the U.K. and EU signed a landmark security pact that aims to give British firms access to a 150-billion-euro, equivalent to \$174.6 billion, EU defense fund.

The German-British treaty promoted on Thursday was partly designed to "fill gaps" in the bilateral relationship that have appeared since the U.K.'s departure from the EU, and it "sends a signal to nations outside Europe that are betting on divisions within the Continent," a German official said.

## British Unemployment Inches Higher

BY ED FRANKL

The U.K.'s jobs market continued to cool in May, raising the pressure on the Bank of England to cut its key interest rate next month, despite last month's unexpected pickup in inflation.

Average weekly earnings excluding bonuses were up 5% from a year earlier in the three months to May, easing from April's 5.3% pace, the Office for National Statistics said Thursday. The unemployment rate crept up to 4.7% from 4.6%, above consensus expectations that it would hold steady, and the highest since April-June 2021.

Amid an uncertain economic outlook, alongside new payroll taxes and rising energy costs, businesses likely will continue to struggle to add staff. The U.K. economy, having grown at the start of the year at a fast clip, is slowing, with gross domestic product in May declin-



Annual inflation crept up in June, against expectations that it would hold steady, and remains well above the target.

Spiraling business costs and a wilting economy are likely to mean more job losses and reductions in other employment-related costs, including staff training and pay awards, said Suren Thiru, economics director at the Institute for Chartered Accountants. "These dispiriting figures probably seals the deal on an August interest-rate cut as it will fuel fears among rate setters over the health of the economy, regardless of June's hotter-than-expected inflation," he said.

The BOE said last week in a twice-yearly financial-stability report that the growth outlook over the coming year is a little weaker and more uncertain.

The central bank anticipates wage growth to fall to about 3.75% by the end of 2025, with inflation at 3.5% in the third quarter.



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## WORLD NEWS

# Israel Drawn Deeper Into Syrian Conflict

Rising violence comes as U.S. pushes for a diplomatic deal and backs new leaders

BY FELIZ SOLOMON

DUBAI—As Bashar al-Assad's regime in Syria was collapsing late last year, Israel took the opportunity to destroy the military capabilities of one of its oldest enemies.

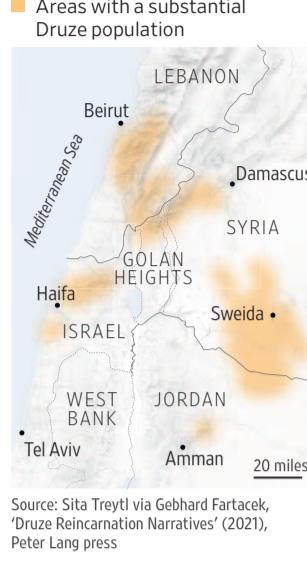
Since then, it has increased its demands on the new regime, insisting on a demilitarized zone south of Damascus and promising to intervene militarily if needed to protect the Druze minority who live on both sides of the border.

That is putting Israel in deepening conflict with Syria's new leadership, as sectarian violence involving the Druze spiraled this week. Druze on both sides of the Israel-Syria border smashed through Israeli troop positions as they tried to save their families from the unfolding violence.

It also is pitting Israel more directly against Turkey, which supports the new government of interim Syrian President Ahmed al-Sharaa. On Thursday, Turkish President Recep Tayyip Erdogan accused Israel of using the Druze as a pretext to destabilize Syria.

"At this point, the biggest problem in our region is Israel's aggression," he said.

On Wednesday, Israel struck Syria's military headquarters in Damascus, after launching a wave of airstrikes targeting government tanks and military convoys in the country's south. Israel said it was acting in de-



Source: Sita Treytl via Gebhard Fartacek, 'Druze Reincarnation Narratives' (2021), Peter Lang press

fense of the Druze.

Israel's response marked a surprising display of force against the new government after the U.S. began pushing the two countries toward a diplomatic detente, and when Israeli officials in recent weeks talked up the possibility of a deal.

Clashes in Sweida, in southern Syria, began this week over the alleged Bedouin kidnapping of a Druze vegetable seller, and grew into street battles that left at least 150 dead, said Ayman Shab Al Deen, a Druze lawyer and activist who tracks the number of violent deaths by visiting hospital morgues.

Community leaders, activists and Israel's military said the violence worsened when Syrian government forces got involved.

Some 150,000 Druze live within Israel, and many have played a key role in the mili-

tary. Pressure on the government from Israeli Druze leadership to protect their Syrian family was at a fever pitch this week, as many noted that Israeli Druze died in the Hamas-led attack on Oct. 7, 2023, and in the ensuing 21-month long war in Gaza.

It is Israel's turn, they argued, to defend them.

"The Druze have helped the Jews ever since they built the state of Israel," said Eman Safady, an Israeli Druze journalist and expert on Middle East politics.

Israeli Prime Minister Benjamin Netanyahu on Thursday said Syria crossed two red lines that compelled him to act. The first was sending troops into an area that Israel has demanded be turned into a "demilitarized zone," which it says is needed to keep militants from taking root there. The second was allowing harm to come to the Druze—accusing the government of "massacring" them.

"Both of these red lines were violated by the regime in Damascus," Netanyahu said.

Israel's pledge to defend the group is giving it an opportunity to display military dominance over its weaker neighbor and assert more control over their shared border. Israel attacked hundreds of military targets while Assad's regime was collapsing, leaving the Syrian government nearly defenseless against the onslaught of Israeli assaults.

Still, it is unclear if the Israeli attacks have stopped the sectarian battles. Sharraa's government said its security forces have retreated. But reports continued of continuing



A funeral is held for people killed in an Israeli strike that hit Gaza's Holy Family Catholic Church.

## Israel Apologizes for Fatal Strike on Catholic Church in Gaza

An Israeli shell slammed into the compound of the only Catholic church in the Gaza Strip on Thursday, killing three people and wounding 10, including the parish priest, according to church officials. The late Pope Francis regularly spoke with Rev. Gabriel Romanelli about the situation in the war-ravaged territory.

The shelling of the Holy Family Catholic Church in Gaza also damaged the

church compound, where hundreds of Palestinians have been sheltering from the Israel-Hamas war. Israel issued a rare apology and said it is investigating.

Israel repeatedly hits civilian structures, accusing Hamas militants of sheltering inside and blaming them for civilian deaths.

Pope Leo XIV on Thursday renewed his call for an immediate truce. In a telegram of condolences, Leo

expressed "his profound hope for dialogue, reconciliation and enduring peace in the region." The pope expressed his closeness to Rev. Romanelli and the parish.

The church compound was sheltering both Christians and Muslims, including a number of children with disabilities, according to Fadel Naem, acting director of Al-Ahli Hospital, which received the casualties.

—Associated Press

fighting between local Bedouins, who are Sunni, and the Druze, whose religion is rooted in an ancient offshoot of Shiite Islam.

Sharraa, who was cautious about criticizing Israel when he first came to power, was more forceful after the Israeli attacks. In a speech on Thursday, Sharraa said his government succeeded in bringing calm to Sweida "despite Israeli interference." He accused Israel of

widespread targeting of civilian and government infrastructure to undermine these efforts, greatly complicating the situation and pushing it toward a broad escalation."

Syria under Assad had in recent years become one of Israel's quietest borders. Israel's demand that the south remain demilitarized comes from its fears that Islamist forces could reach its border, something Israel has become keenly

sensitive to since the cross-border Oct. 7, 2023, attack from Gaza.

Security analysts say that while Israel should welcome the new Syrian government's promises to build an inclusive society, many have doubts about Sharraa's control over the country's many armed groups, and whether his aim of national reconstruction takes priority over his Islamist ideology.

# Iran Moves to Rearm Militia Allies After Israel Fight

BY BOENOT FAUCON AND ADAM CHAMSEDDINE

Iran suffered a significant setback when Israel killed top military leaders and the U.S. struck its nuclear facilities, but a pattern of high-value weapons seizures shows Tehran is making new efforts to arm its militia allies across the Middle East.

Forces allied with Yemen's internationally recognized government this week intercepted a major shipment of missiles, drone parts and other military gear sent to Houthi rebels on the Red Sea coast. Syria's new government says it has seized several cargoes of weapons including Grad rockets—for use in multiple-launch systems mounted on trucks—along its borders with Iraq and Lebanon.

The Lebanese army, meanwhile, has seized shipments brought in across its border with Syria that include Russian antitank missiles favored by Hezbollah.

"Iran is rebuilding its presence in the Levant by sending missiles to Hezbollah and weapons from Iraq to Syria," said Michael Knights, a senior fellow at the U.S.-based Washington Institute for Near East Policy with expertise in Iran's militia allies.

Yemeni forces on Wednesday said they seized a record number of Iranian missiles des-

tined for the Houthis. The shipment was intercepted by the National Resistance Force, a military coalition aligned with the Yemeni government. The U.S. Central Command, which is responsible for America's military operations in the Middle East, said it was the National Resistance Force's largest seizure of advanced Iranian conventional weapons—750 tons of cruise missiles, antiship and antiaircraft missiles, warheads, targeting components and drone engines.

The shipments were hidden aboard a ship called a dhow beneath declared cargoes of air conditioners. They included Iranian-developed Qader antiship missiles and components for the Saqr air-defense system, which the Houthis have used to bring down U.S. MQ-9 Reaper drones.

Previous seizures by the Yemeni and U.S. governments generally yielded small arms or spare parts rather than fully assembled missiles.

The seizure comes weeks after a cease-fire stopped Israel's 12-day air campaign against Iran—a series of attacks that demonstrated Iran's vulnerability despite the arsenal of missiles and militia allies it had built up to protect itself.

The U.S. joined in the attack by bombing key Iranian nuclear facilities. This spring, the U.S.

pounded Houthi positions for nearly two months in an effort that ended with a cease-fire and left the Houthis looking for more high-end hardware.

"The timing and scale of this shipment strongly suggest Iran is moving quickly to replenish Houthi stockpiles depleted by U.S. airstrikes," said Mohammed al-Basha, founder of U.S.-based Middle East security advisory Basha Report.

Tehran wants to "sustain their high operational tempo targeting Israel and commercial maritime traffic."

Iran's foreign ministry spokesman Esmail Baqaei said any claim Tehran sent weapons to Yemen is baseless.

The resupply effort might be yielding results. Last week, Houthi fighters used rocket-propelled grenades, missiles and drones to sink two merchant ships in the Red Sea, killing at least three crew members and taking others hostage.

The militant group has been lobbing ballistic missiles at Israel for weeks, though most are intercepted.

While the seized cargoes transited through the East African country of Djibouti, across

the mouth of the Red Sea from Yemen, the National Resistance Force found several documents in Farsi indicating their origin was Iran. The documents included a manual for cameras used to guide antiaircraft missiles and a quality certificate attached to a missile fin manufactured by an Iranian company.

Iran's efforts to move weapons to Hezbollah have been extensive as well. The militant group was forced into a cease-fire last fall after an Israeli campaign of covert operations, airstrikes and a ground incursion wiped out most of its ar-

senal and leadership.

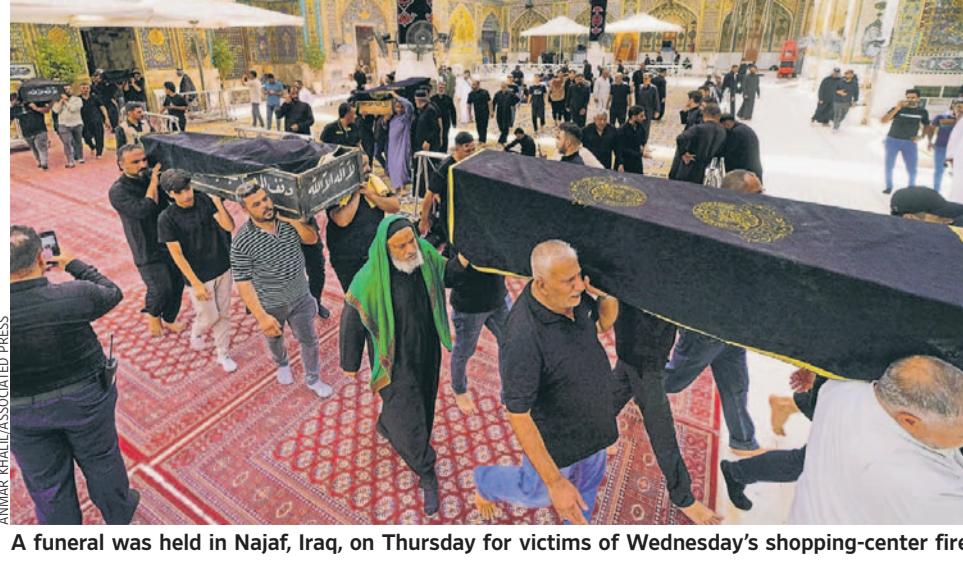
There has been "an intensifying trend in recent months of smuggling attempts via or originating from Syria" to Lebanon's Hezbollah, said Michael Cardash, the former deputy head of the bomb-disposal division at Israel's national police.

The arms pipeline has been crimped by the fall of the Assad regime, which was aligned with Iran, and its replacement by a hostile government. Traffickers now have to bring in arms in small shipments after previously sending truckloads, said Cardash, who is now in charge of explosives research at Israeli security-consulting firm Terrogene.

In one example, in June, the Interior Ministry of the new Syrian government said it had seized Russian-made Kornet antitank missiles en route to Lebanon in a truck transporting cucumbers. In May, the General Security branch intercepted Iranian-made air-defense missiles near the Lebanese border, reported media outlets affiliated with the new Syrian government.

Despite extensive efforts to keep Hezbollah from restocking its arsenal it manufactures its own drones and midrange rockets, and has restructured its smuggling networks to a degree, said a person familiar with the group's operations.

## WORLD WATCH



A funeral was held in Najaf, Iraq, on Thursday for victims of Wednesday's shopping-center fire.

ANWAR KHAILI/ASSOCIATED PRESS

### IRAQ

#### Fire Kills Dozens In Shopping Center

A fire in a newly opened shopping center in the eastern city of Kut killed 61 people, including children, Iraqi officials said Thursday, with 14 bodies still unidentified. Civil-defense teams rescued more than 45 people when the fire broke out late Wednesday, the ministry said. While the cause is still under investigation, officials and residents alleged that a lack of fire-safety measures in the building contributed to the scale of the tragedy.

Provincial Gov. Mohammed al-Miyahi said legal cases were filed against the owners of the building and shopping center, but didn't specify the charges. He said that no government official has resigned or been dismissed as a result of the fire.

The building owner couldn't be reached for comment.

—Associated Press

### SENEGAL

#### Former Colony Bids French Army Adieu

The French military on Thursday completed its withdrawal from Senegal—the last West African country where it maintained a permanent troop presence. France has faced opposition from leaders of some of its former colonies in Africa over what they described as a demeaning and heavy-handed approach.

Senegal's military chief, Gen. Mbaye Cisse, said the country's new defense strategy aims "to affirm the autonomy of the Senegalese armed forces, while contributing to peace in the subregion, in Africa, and globally."

A ceremony marked the completion of a three-month withdrawal of roughly 350 French troops. France's military had been present in Senegal since it gained independence from France in 1960.

—Associated Press

### BRITAIN

#### Government to Cut Voting Age to 16

Britain will lower the voting age to 16 from 18 by the next national election—to be held by 2029—as part of measures to increase participation, the government said Thursday. The changes must be approved by Parliament.

Scotland and Wales let 16- and 17-year-olds vote in local and regional elections. The government also said it would introduce automatic voter registration and allow bank cards as identification at polling stations. Election turnout in 2024 was 59.7%, the lowest in more than two decades.

Britain will join a short list, with the likes of Austria, Brazil and Ecuador. A handful of European Union countries, including Belgium, Germany and Malta, allow 16-year-olds to vote in elections to the European Parliament.

—Associated Press

## FROM PAGE ONE

# A Quest To Find Freebies

*Continued from Page One*

freeloaders. Each year, they celebrate the big day by trying to get one over on Big Retail. It's a sprint that requires hours of meticulous planning, careful strategizing and a stamina for sugar crashes.

This year, Svatos was trying to break his record of 35 freebies, set last year.

"I was stressed about it. How am I going to get it done?" Svatos said. "But once I started with Starbucks first and got my quad-shot coffee...it was adrenaline for the first half of the day."

The real work starts months before the big day.

Svatos estimated that he spent about 15 hours sifting through emails, reinstalling loyalty apps, racking his brain for logins and passwords, and reading through the dreaded terms and conditions of rewards to ensure he's made any necessary purchases to qualify.

Then, he builds a spreadsheet with meticulous notes to map out his route. He prioritizes rewards with the highest monetary value and tries to include shopping centers—jackpots with multiple opportunities for rewards in one spot. He looks for the "true" freebies and avoids the buy-one, get-one-free deals or anything that requires him to spend more than \$10.

Svatos knows his energy will ebb and flow so he schedules free coffees at intervals. He also brings his four children for parts of the day, even though his teenager thinks it's a little embarrassing.

Sometimes they slow him down by wanting to stop in at stores with no freebies. But they make up for it by helping him devour the sweet treats so he can stave off a sugar crash.

"It's hard to do all of this on a full stomach," Svatos said.

If there's a Sephora or Ulta around, he grabs beauty freebies to give to his wife, who usually prefers to remain at home. He typically logs over 10,000 steps and anywhere from 30 to 50 miles on his hybrid car.

"I like to push myself to see if I can beat the last year,"



CLINT SVATOS

said Svatos.

Birthday freebies are gaining popularity, according to Joanie Demer, co-founder of the Krazy Coupon Lady, a site that compiles deals and coupons.

"We all like feeling like we're outsmarting a system, even if it's just driving from freebie to freebie," said Demer. Case in point: her husband, a birthday freelancer who has his own spreadsheet of deals and treks around with his children every year.

Denny's said it had a 28% increase in redemptions of its birthday freebie in 2024 compared with the previous year.

Some of the freebies that Clint Svatos got on his 38th birthday

Store	Item	Store	Item
Auntie Anne's	Pretzel	Jersey Mike's	Sub
Baja Fresh	\$10 off	Panda Express	Small entree
Ben & Jerry's	Scoop	Panera	Pastry
Burger King	Whopper	Peet's Coffee	Drink
Chick-fil-A	Dessert	Popeyes	Apple pie
Chipotle	Guacamole	Red Robin	Burger
Cinnabon	16 oz. cold brew	Regal	Popcorn
Corner Bakery	Dessert	Sbarro	\$5 off
Crumbl	Cookie	Starbucks	Drink
Firehouse Subs	Medium sub	Subway	Cookie
Jack in the Box	2 tacos	Taco Bell	Baja Blast Freeze
Jamba Juice	Smoothie	Yogurtland	\$5 off

More than 300,000 customers received a free Grand Slam breakfast. Sephora said roughly 14.6 million of its loyalty program members redeemed their free birthday gift.

But as more couponers get in the game, some businesses are getting stingier, according to Demer. The gift's monetary value decreases, or it becomes a discount instead of a no-strings-attached freebie.

Demer loves a good deal, but she doesn't play the birthday redemption game.

"That's not how I want to spend my birthday," she said. "I'm getting freebies every week of the year."

Eva Larson, a 31-year-old content creator, approaches her birthday as a marathon. This year, she spread her freebie crusade over nine days in June, which allowed her to grab 61 deals. (Some offers can be redeemed for up to 30 days after your birthday.)

"It's become almost like a full-time job for a week," Larson said, estimating that she spent at least 40 hours driving around Southern California. She scheduled five to eight stops a day, and calculated that she spent \$258.17 to receive \$509 in freebies.

Larson's husband, Dylan,

finds his wife's dedication a little perplexing. He would rather spend his birthday with his family instead of on a draining search for deals.

But there's one birthday freebie he always redeems: A \$50 coupon at the restaurant he and Larson went to the night they got married. The couple returns to have dinner each time they celebrate their birthdays.

"It's like a 50% off wedding anniversary two times a year," he said.

By early evening on Feb. 19, a tired Svatos paused to take inventory of his haul and realized he had done it—40 freebies, a new record.

All told, Svatos redeemed 10 free beverages, 14 free desserts, 12 free food items including wings, burgers, tacos and a free popcorn, and four other discounted products.

He contemplated going to a couple more places—after all, it was only 7 p.m., businesses were still open and he had missed a few free drinks and desserts. But he decided he wanted to give himself a chance to beat his record next year. So he drove home.

"It's one of those perfect examples of a hobby that gives you more than you put into it," he said.

# Altman Outfoxed Musk

*Continued from Page One*

fellow tech CEOs.

So Altman bided his time, quietly maneuvering around Musk. He put together AI infrastructure deals that Trump supported and avoided his former friend, who had sued OpenAI, the maker of ChatGPT, for allegedly betraying its mission.

Altman forged his own relationship with the president, dining with him at Mar-a-Lago in March and speaking to him on the phone from time to time. A longtime Democrat who had once compared Trump to Hitler, Altman told associates he now regretted his harsh criticism during Trump's first campaign and term.

Altman also was growing disillusioned with the Biden administration's AI policy. He considered the signature CHIPS and Science Act, which aimed to bring chip fabrication back onto American soil, to be laughably small in the roughly \$50 billion it set aside for developing and producing the semiconductors, and wrong-headed in its desire to spread out money.

disagreed strongly with how Trump proposed to address these issues. "To anyone familiar with the history of Germany in the 1930s," he wrote in that post, "it's chilling to watch Trump in action."

At the same time, Altman was getting more concerned about the economic policy of Democrats. As the Biden administration readied its Covid-era economic stimulus, Altman warned his contacts in the government that the infusion would cause inflation and run up the national debt. He remained a loyal Democrat, though, donating \$200,000 to Joe Biden's re-election campaign in 2023.

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## Beating China

In the spring of 2024, OpenAI started wooing Trump as part of the company's outreach to both parties.

That June, OpenAI executives met Trump in a hotel in Las Vegas and showed off the then-unreleased text-to-video generator Sora. They also made a case for government investment in AI infrastructure—and for sweeping aside local regulations and environmental reviews—to beat China.

A couple of days later, Trump told podcaster Logan Paul that the U.S. needed to "take the lead over China" in AI. "The electricity needs are greater than anything we've ever needed before to do AI at the highest level. And China will produce it because they'll do whatever you have to do, whereas we have environmental impact people, and we have a lot of people trying to hold us back."

By July's Republican National Convention, the need for an AI infrastructure build-out had become part of Trump's platform.

When Trump won, Altman might have had a willing partner for that agenda—were it



CARLOS BARRIA/REUTERS

*'i'm not going to agree with him on everything, but i think he will be incredible for the country in many ways!'*

Sam Altman about Trump in X post about his own political evolution

not for Musk. By then, Musk had sued Altman and was competing against OpenAI with his own company, xAI. He also had become Trump's biggest donor and rarely left his side. Musk had even given a Trump-style nickname to Altman: "Swindly Sam."

So while other tech CEOs could fly down to Mar-a-Lago in the weeks after the election, Altman was stuck working through intermediaries. The closest he got was a tense meeting in Palm Beach with Howard Lutnick, Trump's then-nominee for Commerce secretary, who yelled at him for being a leftist.

Realizing it needed outside help, OpenAI hired Jeff Miller, the influential MAGA lobbyist and fundraiser, and Chris LaCivita, an adviser to Trump's 2024 campaign, who both made introductions to people in Trump's circle. Another person who vouched for Altman was Larry Ellison, the Oracle co-founder, who had known Trump for years and was about to expand Oracle's business relationship with OpenAI.

Altman donated \$1 million to Trump's inauguration. That got him a ticket, but not a seat on the stage.

The next day, he blindsided Musk by standing in the Oval Office with Trump for the announcement of a \$500 billion partnership between OpenAI, Oracle and Japan's SoftBank—called Stargate—to build data centers to train and run AI models.

Musk, after learning the details on television, attacked the deal in a series of posts on X, alleging that SoftBank lacked the money to fund the deal. Altman hit back on X that he was wrong. Musk dug up an old tweet of Altman praising venture capitalist Reid Hoffman for his role in preventing Trump's 2020 re-election.

Altman responded with a post about his political evolution, saying that watching Trump "more carefully recently has really changed my perspective on him," adding "i wish I had done more of my own thinking." He wrote, "i'm not going to agree with him on everything, but i think he will be incredible for the country in many ways!"

The spat got tense enough that Trump weighed in. "He hates one of the people in the deal," Trump said.

As soon as Trump took office, his administration began

rolling out the kind of infrastructure-friendly policies that OpenAI had been lobbying for, including an executive order on Trump's first day—Unleash American Energy—that would speed up permitting of energy projects.

In March, Altman attended a dinner with Trump at Mar-a-Lago for donors who had each paid \$1 million to his super PAC.

## Abu Dhabi project

By May, OpenAI and the Trump administration were ready to announce the next step in the Stargate partnership with Oracle and SoftBank—a data center in Abu Dhabi. The deal was only possible because the administration had decided to roll back Biden-era restrictions on the export of chips, a change it planned to formalize during a tour of the Middle East that month.

The plan was to build a gargantuan, five-gigawatt data center campus in Abu Dhabi to train and run AI models, in partnership with local tech company G42. OpenAI would get the first gigawatt, with subsequent tranches expected

to go to other tech companies, including, most likely, Musk's xAI, though those weren't ready to be announced.

Musk had been forging his own relationships with Sheikh Tahnoon bin Zayed, who controlled G42 and whose MGX fund invested in both xAI and OpenAI.

On May 14, journalists traveling with the president were briefed on the announcement, which was expected to happen with Trump and OpenAI the next day. But when Musk got wind that Altman was on the Middle East trip and planned to stand with the president and G42 for the announcement, he began to pepper Trump aides and his contacts at G42 with complaints. The situation escalated to the level that Trump was pulled out of a meeting to address it.

G42, concerned about Musk's outbursts, decided to pull the announcement. The journalists were told to hold their stories until further notice. To appease Musk, the White House agreed that no one from the U.S. government would be present during the announcement, and the news would be pushed back a week to when Trump's tour of the Middle East was finished. The deal was announced a week later, with less fanfare than initially planned.

The episode bothered some senior White House staffers. Shortly after The Wall Street Journal reported on May 28 about Musk's attempts to block the deal, the Tesla CEO announced that he was leaving the White House and began to openly criticize Trump's "Big Beautiful Bill."

After Trump declined to choose Musk's pick for head of NASA, Musk's criticism of the tax-and-spending bill escalated into a flame war for the ages, during which he called for Trump's impeachment. Within a week of the Abu Dhabi deal, Musk's relationship with Trump was in tatters.

Altman, for his part, continued to forge closer ties. On June 16, OpenAI announced a \$200 million contract with the Pentagon.

The Trump administration is expected to unveil its AI action plan later this month.

"I believe in techno-capitalism," Altman recently posted on X, explaining his decision to leave the Democratic Party. "We should encourage people to make tons of money and then also find ways to distribute wealth and share the compounding magic of capitalism."

He outlined a worldview in which every year people grow richer through science and technology, that markets do a better job than government and education helps America keep its edge.

"I believed this when I was 20, when I was 30, and now I am 40 and still believe it," he said. "The Democratic party seemed reasonably aligned with it when I was 20, losing the plot when I was 30, and completely to have moved somewhere else at this point. So now I am politically homeless."

Altman doesn't consider himself a Republican, but has told people he could see himself voting Republican in the next election.



NATHAN HOWARD/REUTERS

President Trump at a May 30 White House news conference with departing DOGE adviser Elon Musk.

## ARTS IN REVIEW



FILM REVIEW | KYLE SMITH

## Ari Aster's Tableau of Weirdness

The director's 'Eddington' is a lacerating dark comedy set in small-town New Mexico during the pandemic, in May 2020

**'EDDINGTON' BEGINS** with a grim title card: It's late May in 2020. Gulp. Prepare for a true tale of modern horror.

It was the craziest year I've experienced as a Gen X American. Painting a tableau of weirdness, the idiosyncratic auteur Ari Aster ("Midsommar," "Beau Is Afraid") has made a sweeping, lacerating 2 1/2-hour black comedy that recalls Robert Altman and the Coen Brothers.

"Eddington" strikes me as easily the most ambitious motion picture about the effects of the Covid-19 pandemic. Is it a complete success? No—it's an uncontained, unruly animal. Some scenes fall flat. One vital character is ill-defined. Yet its satiric venom is well targeted, and there are times when it becomes a Hogarthian vision of our manifold faults and follies. For the most part I was entranced. This summer has been pitifully short of films that rattle around your head afterward, as this one does.

Fair warning, though: Mr. Aster sprays disdain in all directions, and he is defiantly not on anyone's team. He takes swings at mask fanatics (pro and con), progressive protesters, right-wing conspiracy kooks, Antifa, giant corporations and the green-energy industry. One fellow seems to be a woke version of the young vigilante beloved by the right, Kyle Ritten-



house. Ideologically, the movie aims to annoy everyone, and seems likely to succeed.

Joaquin Phoenix, adding to his résumé of losers, liars and buffoons, is at the center of this circus as Joe Cross, a fululant New Mexico sheriff whose wife, Louise (Emma Stone), is unstable and sometimes lost to him for reasons that aren't clear. A couple of early scenes in which Joe tries to speak to people through windows suggest we're in a time of muffled, frustrated communication, a point Mr. Aster also makes by showing characters constantly holding up cellphones through which to fil-

ter—or warp—reality.

At the outset, the sheriff is cross about mask mandates, citing asthma. As is true in life, the masks in the movie are a manifestation of a deeper divide: There is a longstanding beef between Joe and the mayor of Eddington, played by the ubiquitous Pedro Pascal. Things are tense. Then George Floyd gets killed in Minnesota.

As the streets of this dusty burg erupt in tiny protests, Joe launches a nutty campaign for mayor and turns his squad car into a roving billboard covered with outlandish campaign gear. Shouting through a bullhorn, he's

Joaquin Phoenix and Pedro Pascal as a town's sheriff and mayor, above; Emma Stone, left.

an heir to the oddball presidential candidate Hal Phillip Walker in Altman's "Nashville."

Like that film, this one slips around slyly observing a variety of characters, most of them fools. Just about the only exception is the sole black person, Michael (Michael Ward), a young sheriff's trainee. A pretty girl of college age whom he may have dated, Sarah (Amélie Hoeferle), becomes the leader of the local Floyd protests, shouting about the urgent need to abolish whiteness. Seeking to gain her affections, the mayor's young-adult son Eric (Matt Gomez Hidaka) and another college-age local, Brian (Cameron Mann), try to learn her political language. In the background lurks an online guru, played in a cameo with sinister charm by the always-tremendous Austin Butler. He attracts the interest of Ms. Stone's character, who though a linchpin, remains enigmatic. The film could have used a strong scene to show who she really is.

It's an Altman-esque cacophony of competing voices, all viewed with a gimlet eye. Its resolutely dry tone places "Eddington" in a special category of funny films

that don't elicit much laughter. Mr. Aster swipes at the theatricality of political protest (young people shout in empty streets) and the loopy logic via which white activists holding Black Lives Matter signs feel emboldened to berate a black police officer. Though the conspiracy theorists in the movie are wackadoodles—Joe has a picture of Bill Gates mounted on the roof of his car as an icon of what he claims he is up against—the dumbest people turn out to be correct about one big thing, as we observe in the third act. Regarding 2020, there should be a lot of blame to go around, but also a lot of humility.

Mr. Aster's second half takes a jarring tonal swerve to a "Fargo"-style noir comedy, overlaid with a bleakly ironic take on how America frequently gets its heroes and villains mixed up. Though I prefer the social satire of the early going to the last-act lunacy, the stylistic change brings narrative excitement to a story that seemed in danger of wandering aimlessly.

Is "Eddington" a snapshot of America, or an unfair exaggeration of some of our worst impulses? Both, perhaps, but to lampoon usually involves distortion. For all its flaws, "Eddington" is an intermittently brilliant evocation of the moment the greatest country in the world went completely insane.

A24 (2)

TELEVISION REVIEW | JOHN ANDERSON

## A Sprawling Portrait Of the Piano Man

**B**illy Joel fans are protective, passionate, number in the millions, and the object of their devotion occupies a singular place in the pop-music pantheon. One would have to be beyond hardcore, though, to slog through the two nights and nearly five hours of "Billy Joel: And So It Goes," a documentary portrait of a superstar artist and his surprisingly routine story. Tightly constructed it is not.

Good natured it is, though, even while being worshipful to the point of parody. Mr. Joel, interviewed at length and at different times, seldom seems as self-important as his songs and comes off as genuinely grateful for what he has. And righteously ticked off about various injustices: the alleged rip-off of millions executed by his former manager, for instance. Or the woman who ran a stoplight and knocked him off his motorcycle in 1982. As a viewer will see, Mr. Joel has needed no help getting into vehicular mischief. Or into perilous run-ins with women.

He has stopped his relentless touring right now because of medical issues, but there really isn't any sense of valediction to this film by

producer-directors Susan Lacy and Jessica Levin, who benefited mightily from Mr. Joel's having been a rock star for 50 years: His every move—on stage, off-stage, in the studio, in the family car—was apparently filmed for posterity. He himself has benefited from changes in the state of the record industry and music technology over the course of his career: Much of his concert songbook dates back to the '70s, when pop music saturated the airwaves in a way it hasn't for years, and during which his songs became part of the audio wallpaper. He's not alone among his peers—the forever-touring Rolling Stones haven't made a memorable record in decades, but that hasn't stopped them, or Mr. Joel, from easily selling out stadiums and arenas whenever they need the money. Which, at times, he has.

"And So It Goes" (from the song) tells the Joel story in calibrated increments, from his birth in the Bronx to his boyhood on Long Island, where he is especially revered and "felt like an outcast." Who doesn't, at age 13? This segues into his journey from one garage band



to another, the story of a boy who had more talent, ambition and hair than anyone around him and was eventually courted by record labels, shafted by unscrupulous producers and even betrayed in the studio—his debut album, "Cold Spring Harbor," was, as many know, mastered at too high a speed, making the singer sound a bit squeaky. But the Joel story is too much like a routine Hollywood screenplay not to have a viewer asking why it's taking so long to get to the point. Or what that point is.

The film makes clear—as does Mr. Joel—that his first wife, the radiantly photogenic Elizabeth Weber (and the filmmakers know it), masterminded the managerial duties and the marketing strategy early in her then-husband's career. When Columbia Records executives com-

plained that "The Stranger," the biggest Joel album ever, had no obvious hit singles, Ms. Weber told the company "You pick the first single; I'll pick the second." Her choice was "Just the Way You Are," which is as much of a pop standard as Mr. Joel ever wrote. Among all the minutiae of the film, no mention is made of the indelible Phil Woods sax solo on the record, which is copied note-for-note by other players, or for that matter, why Mr. Joel won't play "Captain Jack" or "We Didn't Start the Fire" anymore. (Both songs are heard in snippets, but not during any recent performances.)

Other unanswered questions: Who were those Catholic girls Mr.

Joel sang about? And what in the world is a real-estate novelist? You can't cover everything about Mr. Joel, it seems, even in five hours, though among the parade of well-known heads who talk throughout, several make the kind of insightful comments a viewer might be looking for. Danny Kortchmar, who stepped in for (and over) Mr. Joel's longtime producer, Phil Ramone, late in the game, contends that Mr. Joel drew largely from European music, rather than the more conventional folk and blues of his contemporaries; this provides a narrative tie-in to Mr. Joel's father, a classical-oriented pianist who abandoned the family when Mr. Joel was young and was eventually located in Vienna, along with a half-brother who is a symphony conductor.

Garth Brooks and Pink (who have been known to perform "Piano Man") toss bouquets, as do Paul McCartney, Sting, John Mellencamp, Nas and—with more reflection—ex-wives Christie Brinkley, Ms. Weber and Katie Lee Biegel. It is Bruce Springsteen, an avowed Joel fan, who best breaks the formula down. "His angry young man thing was literally just that; he wasn't an angry activist young man," Mr. Springsteen says, referring to the lack of politics in Billy Joel music. "He doesn't go there. Which is part of why the material hasn't dated." It certainly hasn't, judging by weddings, Mets games, 150 sellouts at Madison Square Garden and this documentary.

**Billy Joel: And So It Goes**  
Begins Friday, 8 p.m., HBO Max

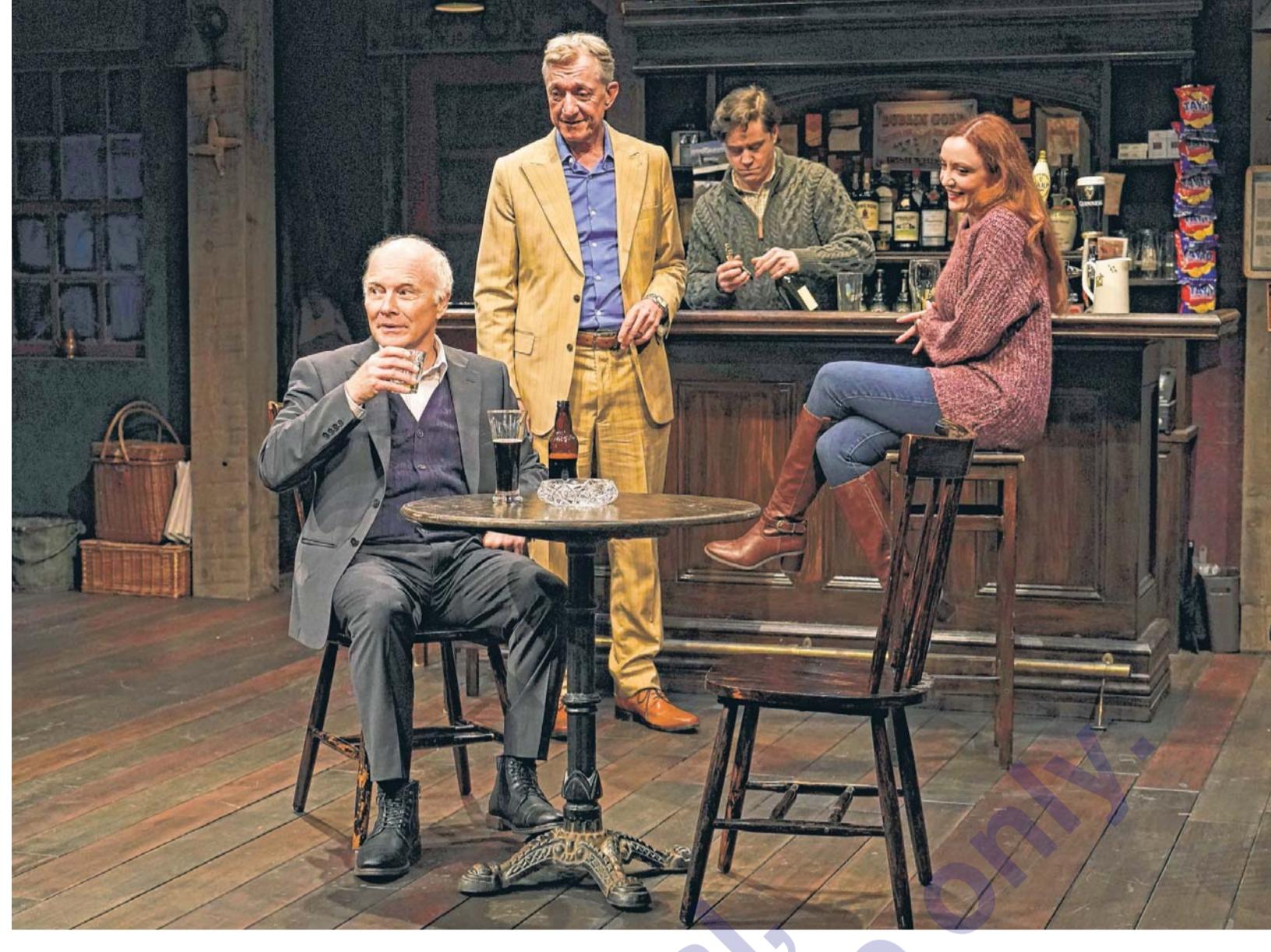
Mr. Anderson is the Journal's TV critic.

## ARTS IN REVIEW

THEATER REVIEW | CHARLES ISHERWOOD

**'The Weir': A Menu of Spirits**

The Irish Repertory Theatre restages Conor McPherson's haunting play of ghost stories told at a pub



New York  
re ghost stories more haunting when told in an Irish accent? In a cozy pub in an isolated rural town? With the wind battering the windows, sounding like the moaning of lost souls? After watching Conor McPherson's spellbinding masterwork "The Weir," now in revival at the Irish Repertory Theatre, I would argue that the unmistakable answers to those questions are yes, yes and yes.

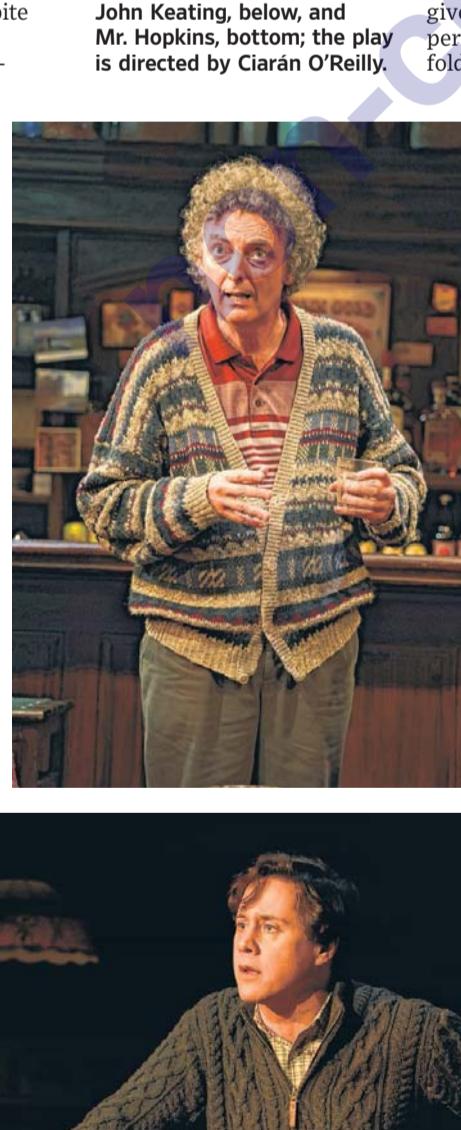
This intimate, beautifully realized drama was Mr. McPherson's breakthrough play, winning an Olivier Award after its London debut before arriving on Broadway in 1999. It has subsequently been produced frequently; this staging is, remarkably, the fourth at the Irish Repertory Theatre alone. Yet another revival, starring Brendan Gleeson, opens in August in Dublin before moving to the West End. (The playwright is also writing a stage adaptation of "The Hunger Games," beginning performances in London in October.)

The play's enduring appeal is on transfixing display in this latest Irish Rep production, directed with gentle finesse by Ciarán O'Reilly. As ever at this reliably fine theater, the cast is superlative, with all five actors onstage bringing a distinctive coloring to their roles. The result resembles a perfectly balanced performance of a classic piece of chamber music. (Three cast members have appeared in previous company stagings.)

Johnny Hopkins, whose dark handsomeness suggests one of the sad-looking but friendlier breeds of dogs, portrays Brendan, the young, quietly affable proprietor of the modest pub where the drama takes place. As the play begins he is preparing to open for the night, and welcoming the first of the regulars to arrive, the spirited, older Jack (Dan Butler), who needles Brendan when he learns that the Guinness tap is on the fritz and he will have to drink bottled stout.

Next to turn up is Jim (John Keating), another regular, who takes care of his elderly mother and is a jack-of-all-trades who helps Jack at his garage. The men—all single—have a new subject to drive their talk: A long-empty house has been rented by a woman from Dublin. She's single, and they half-humorously deride the agent who rented her the place, Finbar, whom they resent for his success and scurrilously presume is carrying on with her, despite being married.

The whiskey flows—"small ones," but many—until the expected arrival of this pair completes the informal welcome party. Finbar, played with an amiable swagger by Sean Gormley, makes the introductions with a self-satisfied, proprietary air that raises eyebrows from the others, but all are shyly friendly to the quiet Valerie, played by Sarah Street, a company regular seen recently in "Beckett Briefs" and in Brian Friel's "Molly Sweeney." (The Irish Rep is the rare New York theater that really does sustain an unofficial repertory company.)



**Dan Butler, Sean Gormley, Johnny Hopkins and Sarah Street.**

in your philosophy."

Finbar relates, somewhat sheepishly, a night in his youth when a series of odd occurrences had him frozen in fear that a spirit was inhabiting his house. Was it a coincidence that he subsequently moved away to a larger town? Jim shares his own experience of a supernatural appearance—in a cemetery, yet.

Ms. Street's Valerie remains quiet, but her absorption and interest in these "spooky stories," as Jack calls them, is unmistakable. And the drama takes a sharp swerve from railery and tale-spinning into wrenching emotional depths when she reveals why she has left Dublin. Ms. Street gives a lovely, understated performance, as Valerie unfolds the tragedy that has befallen her, and the reason she has been so entranced by the men's tales—which strangely give her comfort, for they chime with her own unexplainable, seemingly supernatural experience.

Although "The Weir" is nominally a play focused on tales from the crypt, it's more broadly and movingly a study in loneliness: how it grows upon you, how it can be soothed by the company of even casual friends and acquaintances met by chance, and how it can and probably will sidle into the lives of just about everyone at some point.

**John Keating, below, and Mr. Hopkins, bottom; the play is directed by Ciarán O'Reilly.**

For this reason the stories told here give off the warmth of a glowing fire in a hearth. Although they might publicly jeer at the idea that they are anything but content, these lonely men's ghostly encounters imply that their world is much larger than their cir-

cumscribed circumstances would suggest. "The Weir" intimates that they—we—may live on somehow after death, our unfulfilling physical lives past, but also that we may even now be surrounded by wandering spirits. Which paradoxically may make the world a more com-

forting place to live small, solitary lives in.

**The Weir**  
Irish Repertory Theatre,  
132 W. 22nd St., New York,  
212-727-2737, closes Aug. 31

**Mr. Isherwood is the Journal's theater critic.**

**The WSJ Daily Crossword | Edited by Mike Shenk****PUZZLE CONTEST**

- 26 Web-crawling software
- 27 Cutesy sentiment on a teddy bear, maybe
- 28 Tag shout
- 29 Pianist-singer Buddy
- 30 Well-known Spanish count
- 31 Jell-O flavor
- 32 Put a limit on
- 33 Part of a min.
- 37 Hard-to-transport computers
- 39 Gobble up
- 42 Two-wheeled carriage
- 44 Fresh look
- 47 In conflict
- 48 Poet whose surname anagrams to "unread"
- 51 Kite part
- 52 Jane Austen classic
- 53 Annoyingly self-satisfied
- 54 Org. for Cristiano Ronaldo and George Bello
- 55 Two-piece candy
- 56 Shining ring
- 57 Small flyer
- 58 Sentry's command
- 62 Number of cards in a Caesars Palace deck?

**GO FOURTH AND PROSPER | By Matt Gaffney**

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

**Across**

- 1 Ski resort near Snowbird
- 5 The Doha Diamond League's country
- 10 Emulates Eminem
- 14 Round part on a hammer
- 15 Grammar topic
- 16 "Definitely!"
- 17 Amigos
- 18 First words of a well-known "Walrus" song
- 19 Michael of "The Phoenician Scheme"
- 20 Caught the audio of a NASA miscue?
- 23 Org. that lobbies for gun rights
- 24 Powerful acid, to chemists
- 25 Get in on the winnings after "I-24" and "G-55" are called?
- 32 LBJ was one for 11 seasons
- 33 Latin for "pain"
- 34 Fork parts
- 36 Passed and then some
- 38 Student getting extra help
- 40 The Baths of Caracalla's city
- 41 Magnet ends
- 43 Church official
- 45 ENT, e.g.
- 46 Harshly criticize part of a wooden car?
- 49 "2 Broke Girls" co-star Dennings
- 50 Word on Iowa maps
- 51 Find out how industrious the teens are these days?
- 59 Rounds for Tony Soprano
- 60 Surname on Scotch bottles
- 61 Asian territory in Risk
- 63 "My turn!"
- 64 Where both queens begin a chess game
- 65 Katz's on the Lower East Side, e.g.
- 66 Falls behind
- 67 Britannia invader
- 68 spumante
- 69 Free download, often
- 70 First wife of 25-Down
- 71 Univision genre
- 72 Amusing Aziz
- 73 Pound sterling, informally
- 74 Set 2-Down
- 75 Meet Up
- 76 Cutrate
- 77 Plaiter
- 78 At least

**Previous Puzzle's Solution**

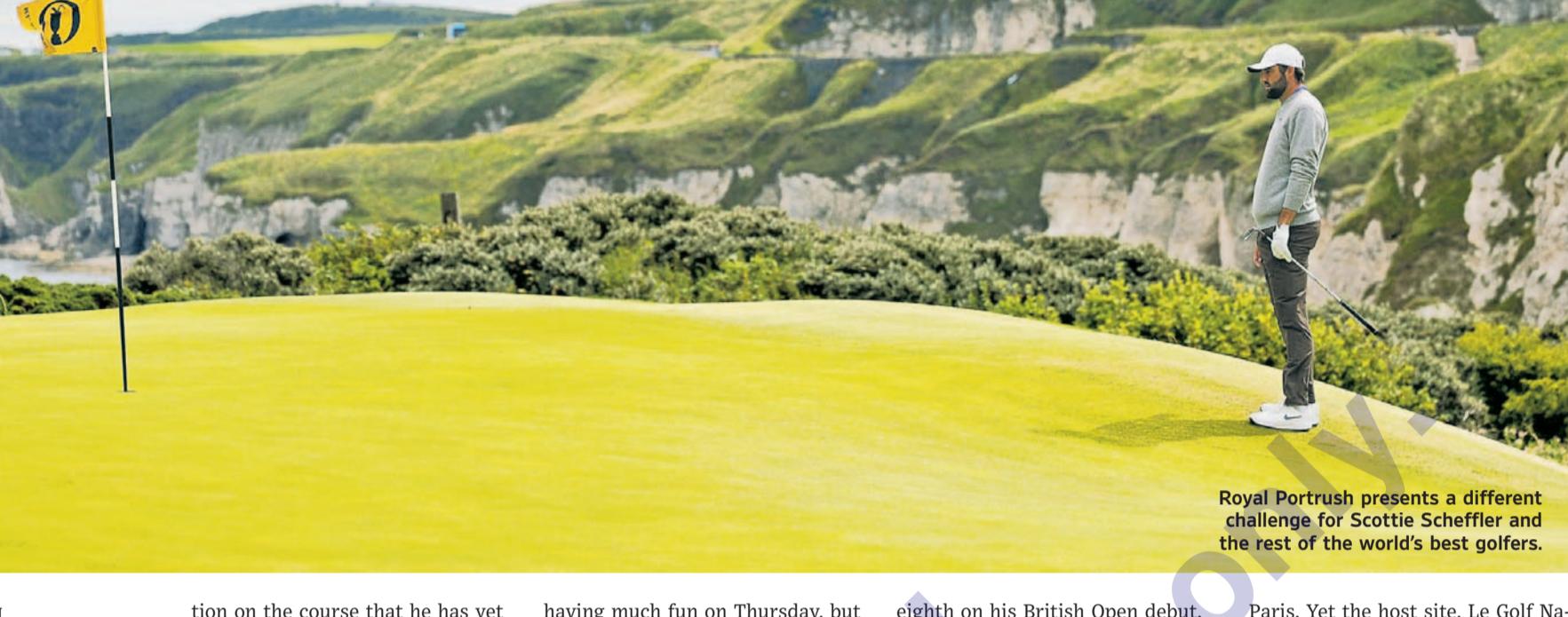
S	A	D	I	S	T	S	E	T	S	O	F	F
A	R	A	P	A	H	U	P	A	T	R	E	E
C	U	R	A	T	E	N	I	T	R	A	T	R
S	T	A	D	I	A	S	E	A	L	E		
C	O	O	P	E	R	D	D	O	R	A		
L	I	S	P	S	I	R	E	M	A	D		
A	L	A	S	T	A	G	U	S	L	A		
R	E	G	O	N	E	S	V	A	N	N		
A	R	E	A	P	I	R	A	K	I	N		
M	E	R	L	E	F	E	S	L	U	G		
B	E	R	A	T	O	P	E	T	R	A		
A	L	A	M	O	D	E	P	L	A	I		
A	D	S	E	N	S	E	A	T	L	E	A	S

► Email your answer—in the subject line—to [crossovercontest@wsj.com](mailto:crossovercontest@wsj.com) by 11:59 p.m. Eastern Time Sunday, July 20. A solver selected at random will win a WSJ mug. Last week's winner: Cindy Heisler, Minoa, NY. Complete contest rules at [WSJ.com/Puzzles](http://WSJ.com/Puzzles). (No purchase necessary. Void where prohibited. U.S. residents 18 and over only.)

## SPORTS

# The One Riddle That the World's No. 1 Golfer Still Hasn't Solved

Scottie Scheffler is the most dominant player in today's game. But when it comes to links courses like Royal Portrush, which hosts this week's British Open, he's still a relative newbie.



Royal Portrush presents a different challenge for Scottie Scheffler and the rest of the world's best golfers.

BY ANDREW BEATON

**S**cottie Scheffler has won so much in his young career that he has already begun to ponder the deeper meaning behind clubbing a ball into a hole hundreds of yards away.

On a daily basis, Scheffler wrestles with why he cares so much about winning. He says he often doesn't understand the purpose of working so hard at his craft when the euphoria of his biggest triumphs lasts no more than a couple of minutes.

"We work so hard for such little moments," Scheffler said. "I love getting to live out my dreams. But at the end of the day, sometimes I just don't understand the point."

There's no doubt how much Scheffler has achieved during a spell of unmatched dominance over the past few years. But throughout that stretch of supremacy, there's one confounding ques-

tion on the course that he has yet to solve: links golf.

There may be no purer test of that style than Royal Portrush, the Northern Irish course that is hosting this year's British Open, which began on Thursday. Perched along the Atlantic coastline, the breathtaking views do little to soften the blow of battling against the imposing dunes and unpredictable seaside winds.

Portrush forces Scheffler and the rest of the world's best golfers to contend with the type of elements that can make them look as though they need to completely relearn a game they thought they had mastered.

Despite all of Scheffler's success—including three major championships—he has yet to win a single tournament on a links course.

"I feel like I'm learning more and more each time I come over here," Scheffler said. "There's a challenge to it, but I think it's a lot of fun."

Scheffler didn't look like he was

having much fun on Thursday, but he managed to grind his way up the leaderboard. Despite struggling off the tee, he finished his opening round at 3-under.

By the time it was over, Scheffler had hit only three fairways—matching the lowest first round over the last 20 years for someone so inaccurate off the tee. And his ability to score so well despite those troubles may have been the ultimate sign he's acclimating to a style of golf that until recently was foreign to him.

While kids across the U.K. are as familiar with links golf as they are with beans on toast, it's still new to Scheffler. His first real experience with it came when he was already a professional at the 2021 Scottish Open, and he tied for 12th. The next week, he finished in a tie for

eight on his British Open debut.

At the British, he has never finished outside the top-25, but he's also never surpassed his tie for seventh last year.

Even though those are results that any other player would be thrilled about, for Scheffler they count as a major disappointment. He's so accustomed to taking home trophies these days that he has already notched three victories this year, including the PGA Championship, after having bagged nine wins in 2024.

That magical year actually included a triumph in Europe, though it was one that shows why Scheffler might be more comfortable with a different type of venue. He put on a show for the world when he came back from six strokes down on the back nine to win Olympic gold outside

Paris. Yet the host site, Le Golf National, is a parkland-style setup that could easily be confused for a course in Pennsylvania—if it didn't happen to be a few miles from the Palace of Versailles.

Courses like Royal Portrush, on the other hand, present an entirely different type of challenge.

The greens are slower than at other majors, and that's because they have to be—otherwise the wind might just sweep every shot off the carpet entirely. The topography sends balls rolling unusually far, often dropping into pot bunkers as if they're drawn by magnets. And the blustery conditions mean that everything a player knows about how far they can hit a particular club goes out the window. All of it requires not just hitting the right shots, but also approaching the game with a degree of imagination that isn't needed at most tournaments.

"It fits my strengths," Scheffler said, "because I like to do things very creatively."

## It's the Tour de France's Biggest Secret

BY JOSHUA ROBINSON

Hautacam, France

**LAST YEAR'S TOUR DE FRANCE** had only been over for a couple of weeks when race director Thierry Gouvenou ventured back out on the road.

This time, there would be no peloton of suffering riders or throngs of sunburnt fans along the mountain passes. It was September and the party was over. So Gouvenou and his team moved quietly through the empty byways of France wearing plain clothes and driving unmarked cars. With maps spread across their laps, they were on their secret mission to design the route for the next Tour.

"When we visit places, we're completely incognito," says Gouvenou, who rode the Tour seven times during his days in the professional peloton. "We don't ask anyone for anything. We trust no one."

For more than 110 editions, the route of the Tour de France has changed every year. And for the race's organizers, the Amaury Sport Organisation, the details of this 21-stage summer extravaganza are planned in the shadows. They only reveal the broad strokes of it during a lavish ceremony in Paris every October, before publishing the details of the roughly 2,100-mile course in the spring.

The process takes weeks every year as Gouvenou imagines new ways to create drama, to torture the peloton, and to make France's three-week close-up look as gorgeous as possible. A former professional cyclist himself, he has held the job since 2014 and treats the Tour as his annual masterpiece. But the thing is that for all of Gouvenou's stealth and subterfuge, ASO isn't terribly good at keeping secrets.



Race director Thierry Gouvenou imagines new ways to make the Tour look as gorgeous as possible.

That's because there's an army of cycling nerds out there doing its level best to work out the route ahead of time. And no one is better at predicting it these days than a bike-mad Dutchman in his 40s named Thomas Vergouwen. For the past two decades, he has spent his late summers and early autumns trying to crack the code.

Vergouwen begins with a general sketch based on famous climbs that he knows the Tour hasn't visited too recently. Then he collects reports and rumors from local newspapers. And he picks up clues from social media, such as people recognizing Gouvenou on the road when he thinks

he's undercover.

(That said, Gouvenou likes to tease fans with an occasional photo posted from his reconnaissance trip—a single pointy mountain-top or a stretch of dusty road. They give nothing away and occasionally throw people off the scent.)

One of Vergouwen's most effective tricks, however, is calling hotels in likely host towns to ask if they have any rooms available for the following July. If they're sold out, then he can bet that ASO has already snapped them up for the hundreds of staffers, riders, sponsors, and officials in the Tour's traveling circus.

to host the Tour—and paying six-figure fees for the privilege—too many loose-lipped local politicians end up in the know.

"It's a tough thing to keep under wraps," Gouvenou says. "Plenty of officials like to say how excited they are to host a Tour stage, so by September a lot of people figure out the cities. But they don't have the actual route between them."

That's where Gouvenou really earns his money. Every year, he tailors the course to the favorites to keep the intrigue burning for as long as he can. These days, the Tour revolves around the *mano a mano* between Slovenia's Tadej Pogacar and Denmark's Jonas Vingegaard, who have combined to win the past five editions.

So Gouvenou understood that he needed more than just brutal mountain stages, such as Thursday's slog up to Hautacam in the Pyrenees, to stir the drama. He also needed to spice up any flat stage with punchy climbs where the two men could go head-to-head.

"We had nine flat stages, so my challenge was adding the right ingredients to make it a tasty dish," he says. "And they put on a show, but the route didn't kill the suspense."

Strangely, the one group that doesn't engage in any snooping before the route is revealed is the one that comes to know these roads most intimately: the riders themselves. They figure there's always plenty of time to reconnoiter them before the Tour. Plus there's something romantic about waiting to learn where their legs will hurt the most.

"That day in October when you discover the route was always a special treat for me to savor," the French former pro Romain Bardet says. "I love surprises."

RICHARD HEATHCOTE/GETTY IMAGES

VINCENT KALUT/JUNA PRESS

## OPINION

## Iran Is Out to Kill Trump

By Behnam Ben Taleblu  
And Saeed  
Ghassemnejad

**T**ehran can't stop. Not a day goes by in which Iranian religious or political officials don't threaten the life of President Trump. As long as the regime lives, so will the threat.

Ayatollah Ruhollah Khomeini made clear 40 years ago that when Iranian mobs chant "Death to America," it means they want to kill the U.S. president. His successor, Ayatollah Ali Khamenei, restated the point: "Death to America" means death to Trump." Mr. Trump constitutes a unique threat to the mullahs because he has actually used American military might to punish the regime for its behavior.

Last week Mohammad-Javad Larijani, a former senior adviser to Mr. Khamenei said, "Trump has done something"—attacking Iran's nuclear site—"so that he can no longer sunbathe in Mar-a-Lago." Mr. Larijani mused about a "small drone" hitting Mr. Trump "in the navel" as he enjoyed the Florida summer weather.

Iran's clerical establishment provides religious justification for Mr. Trump's assassination. Ayatollah Ahmad Khatami, a Khamenei appointee and Friday prayer leader in Tehran, took to the lectern earlier this month to proclaim that both

Mr. Trump and Israeli Prime Minister Benjamin Netanyahu should face execution. Tehran is even offering a bounty. A website reportedly created by a regime insider claims to have raised \$40 million for the effort.

Threats against Mr. Trump began in his first term and ramped up after he authorized the 2020 drone strike that killed Qassem Soleimani, architect of Iran's regional terror strategy. In response, Iranian officials authorized an arrest warrant, placed a bounty on Mr. Trump's head, and threatened to take deadly revenge against the president and his national security team.

Contrary to recent denials by Iran's President Masoud Pezeshkian on Tucker Carlson's podcast, these threats and plots are real. Books about the president's time in office and on the campaign trail detail the precautions Mr. Trump had to take. U.S. authorities have been tracking, uncovering and, where possible, prosecuting people involved. The feds have disrupted several Iranian plots to assassinate Mr. Trump on U.S. soil.

The threats proliferated following the 12-day war between Iran and Israel. Leading Shiite clerics tied to the regime branded Mr. Trump with labels such as *mohareb* (one who wars against God), *mahdur al-damm* (one whose

blood must be spilled), *mufsid fil-arz* (corruptor of the earth) and *kafir harbi* (warring infidel). Under Islamic law each of these terms invites violence against the offender.

After Mr. Trump mocked Mr. Khamenei on Truth Social on June 27 and bragged about sparing his life, Grand Ayatollah Nasser Makarem Shirazi and Hossein Noori Hamedani

If the clerics survive, they will hunt the president as they did Salman Rushdie.

issued a fatwa condemning Mr. Trump as a *mohareb* who merits execution. Their fatwa echoes the chilling decree by Mr. Khomeini against British-Indian writer Salman Rushdie in the late 1980s. Mr. Rushdie has had to live under protection for decades and nearly lost his life in a 2022 stabbing attack.

Clerics who train the next generation of Islamic Republic theologians at the Tehran Seminary released a statement labeling Mr. Trump a *mahdur al-damm*, indicating that his life is forfeit and his blood can be shed without legal consequence.

Ayatollah Mohsen Araki, a member of the regime's Orwellian-sounding Assembly of Experts and Expedi-

ency Discernment Council, broadened the scope of these fatwas. Mr. Trump's "property and life" he said "are permissible targets, and the lives of those dependent on the American government are also permissible targets."

For cleric Hojjat al-Eslam Amin Assadpour, enslaving Mr. Trump's female family members is also *halal* (permissible), implied by his announcement that Mr. Trump is a *kafir harbi*. Mr. Araki asserted the fatwas apply to anyone supporting Mr. Trump or his military actions. As one Iranian parliamentarian recently hailed, "when we get our hands on Trump, we will eliminate and destroy him."

Iran's state-linked clerical establishment has intensified the existing threats against the president's life from the world's foremost state sponsor of terrorism. Should Mr. Khamenei and his clerics outlast or outlive the Trump administration, the fate that befell Mr. Rushdie may befall Mr. Trump, and Tehran's warrant of death will follow him.

Mr. Taleblu is a senior director of the Iran program and Mr. Ghassemnejad is a senior adviser at the Foundation for Defense of Democracies.

Kimberley A. Strassel is away.

BOOKSHELF | By Tom Nolan

## Arkady Renko's Final Case

## Hotel Ukraine

By Martin Cruz Smith  
*Simon & Schuster, 288 pages, \$27.99*

**T**he death of Martin Cruz Smith on July 11, at the age of 82, brought the novelist's life and career to their coincident end with a timing as precise as it was melancholy. "Hotel Ukraine," Smith's 11th and final mystery involving the Russian police investigator Arkady Renko, was published only a few days before the author's demise.

The novel's detective hero was first introduced in Smith's 1981 bestseller "Gorky Park." In that gripping chronicle from the tail end of the Brezhnev era, readers first encountered Arkady as a People's Militia investigator in Moscow, "a lean, pale man" tasked with investigating a murder that he suspects will take him into dangerous, political territory. As "the only honest man in Moscow" (in the words of one associate), Arkady can't say no.

Smith had been writing mystery and espionage books through the 1970s, some under pseudonyms, before finding a global audience with "Gorky Park." Over the ensuing decades, in 10 more novels, Arkady continued his career pursuing villainous criminals through an ever-shifting, always treacherous political landscape—one that the author compared to the world conjured in Lewis Carroll's "Through the Looking-Glass."

"Hotel Ukraine" finds Arkady once again in such deceptive territory. In the novel's opening pages, Arkady's adopted son, Zhenya, is arrested and jailed while protesting Russia's invasion of Ukraine. Zhenya is guilty, his prosecutor says, of the public use of "illegal language"—specifically, the word "war." Arkady asks what Zhenya should have said and is told: "Special military operation." Or 'the tense foreign political situation.' Either is acceptable."

Zhenya is released with a warning. Arkady has no such luck evading his latest official obligation: solving the bloody murder of a deputy minister of defense killed in his apartment in the posh Hotel Ukraine. Arkady's mandatory secret-service associate on the case favors a Ukrainian diplomat as the killer, but the inspector suspects the assassin can be found in the ranks of a privatized militia known to assist the Russian army in overt and covert ways.

Even among such political complications, Arkady is still "energized" by "the intrigue of a case." But the Parkinson's disease he suffers in secret is causing his motor skills to deteriorate: "It was like being drunk but without the pleasure of having gotten there in the first place." (Smith first spoke publicly about his own struggles with Parkinson's in 2013.) When his superiors discover his condition, they place him on sick leave—a first step toward forced retirement, he's sure. Yet he can't bear to abandon his case, which he feels necessitates a trip to Ukraine. He is encouraged to make the trip by Tatiana, his long-gone-but-now-returned love, a journalist who has come back to cover the invasion. Arkady points out that there are no flights into a war zone, but she is undaunted: "We'll just have to go the long way round."

The investigator has been following such circuitous routes for a long time, taking readers along to some unforgettable destinations. In "Gorky Park" an abundance of remarkable sequences take place in unexpected settings—a secret underground train station, an isolated dacha, a fur dealer's hideaway, even a New York City police station—and are peopled with exotic characters: a dwarf anthropologist who reconstructs the faces of the dead from their skulls alone, a U.S. businessman in league with the Russian government, a Manhattan cop with a family tree full of American Communists. Smith hooks readers like fish and reels them through one remarkable scene after another. There are echoes of Dostoevsky and Gogol, and sentences that carry a poetic snap: "Osborne was hiding among the endless words like a man standing sideways among trees."

In the Russian detective's final outing, the bloody murder of a government minister brings the mystery series full circle.

"Gorky Park" was a great success, one that seemed to evoke some essence of the Russian soul through the figure of its beleaguered, ethical, romantic investigator. In the sequels that followed, Smith's style grew more sparse, his lyricism more muted, as Arkady's world became grayer, if not less dangerous, throughout various political eras. "Polar Star" (1989) finds Arkady gutting fish on a ship in the Bering Sea to avoid the consequences of his acts in "Gorky Park," and "Red Square" (1992) returns him to Moscow in time to witness the breakup of the Soviet Union. He heads to the sealed-off region of Chernobyl in "Wolves Eat Dogs" (2004) to probe a billionaire's death. In "The Siberian Dilemma" (2019), the detective follows Tatiana as she reports on a charismatic dissident critical of Vladimir Putin.

"Hotel Ukraine" brings Arkady full circle, in a way: the residence of the title is a prominent locale in "Gorky Park." Now it's the site of a tense meeting with Lev Volkov, the paramilitary leader bent on denying Tatiana any more embarrassing scoops—and perhaps on ending the meddlesome detective's existence. There are powerful scenes in this work, such as when Arkady's consciousness makes the hallucinatory transition from thinking that he's undergoing an extreme attack of Parkinson's, to the realization he's been poisoned. Even in what the author announced would be his final novel, Smith can still take one's breath away with such a sequence—or in a gently-written afterword, where he speaks to readers in his own voice about the disease that would cause his death:

It is surprising to think I have had Parkinson's for almost thirty years. For most of that time I have been remarkably well. But this disease takes no prisoners, and now I have finished my last book.

There is only one Arkady. And I will miss him.

We will miss them both.

Mr. Nolan is the Journal's mystery fiction critic.

## Coming in BOOKS this weekend

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## Like Pharaoh, Putin's Heart 'Was Hardened'

HOUSES OF WORSHIP  
By Barton Swaim

—  
of the Russians. His unhappiness was expressed in a dramatic policy turn on the war in Ukraine: new arms to Kyiv, new sanctions on Moscow, and the threat of 100% tariffs after 50 days on any country buying Russian goods. The "secondary tariffs," as Mr. Trump calls them, would apply chiefly to countries that buy Russian oil—in essence, an embargo.

It's impossible to know the depth of this shift in presidential disposition, Mr. Trump having for many years seemed eager, in his rhetoric at least,

**T**he Book of Exodus tells us what to expect from Russia in its war against Ukraine.

to interpret Vladimir Putin's intentions in a favorable light. But that makes Monday's statement all the more remarkable—the president has never voiced so hostile an attitude to Mr. Putin.

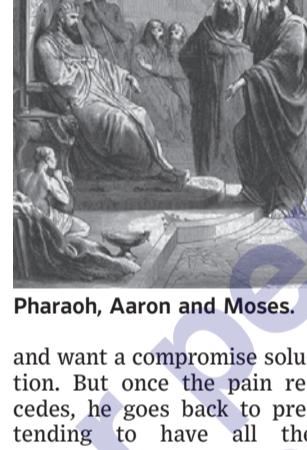
On hearing Mr. Trump's announcement, my mind ran to the Book of Exodus. I am thinking of the 10 plagues and the Hebrews' journey out of Egypt. It is perhaps the greatest story in any language, its biblical text full of subtle wit, cryptic details and marvelous turns of phrase, and it cli-

maxes in an apocalypse of liberation and destruction. What brought it to mind is the character of its main antagonist, Pharaoh, king of Egypt. He is a dictator whose arrogance and obduracy oblige him to pursue a stupid policy to the point of self-destruction.

The measures Mr. Trump outlined on Monday—supplying Russia's battlefield adversaries with advanced weaponry, depriving it of revenue—wouldn't assault the Russian people as directly and ferociously as what God does to the Egyptians in Exodus by turning the Nile to blood, filling the air with gnats, killing Egypt's livestock with hail and so on. But a de facto embargo on Russian oil, if Mr. Trump were to pursue the policy without apology, would exact a heavy price on Russia's economy and military.

The point of the Exodus story isn't to analyze the psychology of dictators. But the Bible's histories often reveal patterns of human behavior so recognizable as to seem ripped from yesterday's headlines. Mr. Putin isn't the first tyrant to brutalize a people for his own twisted reasons, find his decision creates a series of disasters, and refuse to reverse or alter his policy even as its effects shatter his country.

The crucial point for U.S. policymakers to grasp, if Exodus has anything to teach them, is that the dictator will intermittently seem to relent and be ready to negotiate a peace. Throughout the story Pharaoh appears to back down



Pharaoh, Aaron and Moses.

and want a compromise solution. But once the pain recedes, he goes back to pretending to have all the leverage and doubles down.

After the fourth plague, swarms of flies, Pharaoh offers a deal: If Moses will plead with God to take away the flies, Pharaoh will allow the Israelites to go away to worship God, as Moses demands; only they may not go more than a short distance away. Moses insists that God has said they must go three days' journey into the wilderness, no less. The two arrive at a vague understanding. "I will let you go to sacrifice to the Lord your God in the wilderness," Pharaoh says, "only you must not go very far away. Plead for me."

Moses asks God to take away the flies, which he does. But Pharaoh's word means nothing. He "hardened his heart this time also, and did not let the people go."

After each plague, Pharaoh signals readiness to give in,

and each time he changes his mind. The Hebrew text tells us, variously, that the king hardened his heart, that God hardened it, and, more ambiguously, that his heart "was hardened"—nicely capturing the Bible's tendency to let absolute divine sovereignty sit alongside human free will without trying to reconcile the two.

Readers of a nonreligious bent may find the biblical claims fanciful or rooted in myth. But anybody can imagine how a man rapt by his own power might find himself wanting to follow a rational course but unable and therefore unwilling to do it. He can't look weak to his rivals. He can't appear to waver. And he definitely can't be seen to surrender—in Pharaoh's case, to Moses and Aaron; in Mr. Putin's case, to the West. His only choice is to press ahead through one humiliation after another. In the end, Pharaoh's inability to change course ruins his nation, destroys his army and claims the life of his eldest son.

As for Mr. Putin, Mr. Trump has it in his power to complicate the dictator's designs on Ukraine. Nothing in the Bible prescribes one U.S. policy or another on the matter. But both experience and sacred wisdom tell us that Mr. Putin won't, and can't, compromise on the policy he chose when his army invaded Ukraine three years ago. His heart is hard as an anvil.

Mr. Swaim is an editorial page writer for the Journal.

## Trump Can Unmask the Protest Class

By Ilya Shapiro  
And Jesse Arm

**I**n response to last month's riots in Los Angeles, President Trump issued a clear directive on Truth Social: "MASKS WILL NOT BE ALLOWED to be worn at protests." It's a bold declaration—and a popular one. Americans instinctively understand that what happened in Los Angeles wasn't peaceful organizing or messy democracy. Such unrest invites criminal mayhem and political violence, or what our Manhattan Institute colleague Tal Fortgang has described as "civil terrorism." It's often perpetrated by agitators who hide behind masks.

While the First Amendment protects freedom of speech and assembly, it doesn't shield coordinated campaigns of intimidation carried out anonymously. That's why many states already have antimasking laws—some dating back to the fight against the Ku Klux Klan. But states often hesitate to enforce these laws, and there's no federal law

against street crime or public disorder.

States need to modernize their antimasking statutes by making it unlawful to conceal your identity while committing crimes, intimidating others or obstructing access to public space. This can be done while reaffirming constitutional protections for peaceful expression. Hiding behind a mask to menace the public isn't protest. It's coercion.

An agenda for dealing with criminals who cover their faces.

Lawmakers in red and blue states alike have introduced antimasking bills tailored to today's protest landscape. But state action alone won't solve the problem—especially when the worst offenses increasingly take place on federal property or involve interference with federal officers. That's where President Trump comes in. He should order the following three steps:

First, the Justice Department should direct federal prosecutors to pursue enhanced sentences for masked criminals. Federal guidelines allow sentencing enhancements for obstruction of justice or premeditated conduct. A masked assault can lead to a two-level sentence increase, making it more likely that violent offenders serve real time.

Second, the Homeland Security Department should deploy Federal Protective Service officers to respond to masked protesters on federal property. DHS is already empowered to secure federal buildings and grounds. New regulations prohibit the use of masks to avoid identification while breaking the law on federal property. That authority now needs to be enforced aggressively.

Finally, the administration should make prosecution of federal crimes committed by masked offenders a priority.

These offenses include assaulting a federalized National Guard member and damaging federal property. That's what already are federal crimes, but the

added presence of a mask should be treated as a red flag and an aggravating factor. Prosecutors should move swiftly and law enforcement should make arrests public.

These measures wouldn't criminalize protest, chill dissent or limit protected speech. They would send a clear signal: If you hide behind a mask to commit a crime or intimidate others, the federal government will hold you accountable.

Americans have every right to protest their government, but not to do so anonymously while terrorizing others and flouting the law. We aren't talking about masking for medical, religious or occupational purposes, but mobs in balaclavas and keffiyehs blocking streets, harassing Jews, and daring law enforcement to stop them. No society should tolerate that.

Mr. Shapiro is director of constitutional studies at the Manhattan Institute. Mr. Arm is the institute's executive director of external affairs and chief of staff.

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## OPINION

## REVIEW &amp; OUTLOOK

## Emil Bove and the Trump Judiciary

The Senate Judiciary Committee voted out Emil Bove's nomination to be a judge on the Third Circuit Court of Appeals on Thursday, with Democrats walking out in protest. Less remarked, given her sterling credentials, was the Senate's 46-42 vote Monday to send Whittney Hermandorfer to the Sixth Circuit. The contrast could make a difference for President Trump.

The concerns about Mr. Bove's nomination aren't frivolous. He was at the center of the Justice Department turbulence after Mr. Trump invoked the 1798 Alien Enemies Act to deport illegal aliens without due process. At a March 14 meeting, discussing the possibility that a judge could block those removals, "Bove stated that DOJ would need to consider telling the courts 'f— you' and ignore any such court order." That's according to a "whistleblower" letter by a former government lawyer.

Testifying to the Senate, Mr. Bove didn't exactly deny uttering such a thing. "I did not suggest," he said, "that there would be any need to consider ignoring court orders. At the point in that meeting, there were no court orders to discuss." What about floating that the Justice Department might tell the judiciary to eff off? "I don't recall," Mr. Bove said. Doesn't this seem like something a top official would remember saying, or not?

The whistleblower then released communications to back up his account. One is a text message from March 15, as Mr. Trump's deportation flights to El Salvador were about to land. "Guess its find out time on the 'f— you,'" the lawyer wrote his supervisor. The boss's reply: "Yup. It was good working with you."

The Judiciary Committee's GOP majority dismissed this evidence as "completely devoid of context." That sounds like an argument by plausible deniability. The whistleblower made specific claims, and isn't his account context?

Mr. Bove also ordered an end to the federal corruption case against New York Mayor Eric Adams, on grounds that Mr. Adams could do more to counter illegal immigration if only

**His appellate nominees will influence whether judges decide to retire.**

prosecutors weren't distracting him. The acting U.S. Attorney in Manhattan resigned, calling it an implicit quid pro quo. Mr. Bove denied it. A federal judge concluded: "Everything here smacks of a bargain."

This all creates an impression of Mr. Bove as a lawyer comfortable pursuing policy outcomes by pushing legal boundaries. A judge's job is different. Maybe Republicans believe that Mr. Bove knows the difference. He testified that he'd interpret laws by turning to their text, as good judges should. If he's confirmed, life tenure will give Judge Bove an opportunity to keep his word and exceed his reputation.

Yet such nominations have a potential cost for Mr. Trump, in that Supreme Court Justices and lower-court judges will ponder the quality of the President's choices when deciding whether to retire or take senior status.

"By my count," the law professor and legal commentator Jonathan Adler recently wrote, "there are forty circuit court judges eligible to take senior status." Only two of them "have announced their intention to create a vacancy." Our own reporting underscores that many of them are worried they'll be replaced by another Emil Bove.

A contrast is Ms. Hermandorfer, who clerked for Justices Samuel Alito, Amy Coney Barrett, and then-Judge Brett Kavanaugh. She most recently worked for Tennessee Attorney General Jonathan Skrmetti, who won a big case at the High Court last month defending his state's ban on transgender hormone treatments for adolescents. Democrats treated her like a right-wing lunatic, because they do that to any judge chosen by a Republican President. But she looks like a first-class choice.

President Trump on Wednesday said he will name Jennifer Mascott, a member of the White House counsel's office who clerked for Justice Clarence Thomas, to another Third Circuit vacancy, and our early soundings are that she's also first-rate. If Mr. Trump wants more vacancies to fill, he should seek fewer Boves and more Hermandorfers.

## No Special Counsel for the Epstein Files

The latest MAGA idea on the Jeffrey Epstein files is that there should be a special counsel appointed to investigate, because Attorney General Pam Bondi is now part of the deep state, or something. But White House press secretary Karoline Leavitt said Thursday afternoon that President Trump "would not recommend a special prosecutor."

Donald Trump, skeptical of special counsels. Who would have guessed? That's a joke, since Mr. Trump's first term was derailed by the Robert Mueller investigation into alleged Russian collusion in the 2016 election. Despite not finding much, Mr. Mueller's inquiry turned into a lengthy potboiler that kept Washington and the nation on the edge of its seat for nearly two years.

That's pretty much what would happen under any special counsel to investigate the Jeffrey Epstein investigators. Forget about any immediate disclosure of anything new. The questions that MAGA minds want answered would instead get buried for months or more. Rumor and innuendo would reign. And if the special counsel emerged after a year and announced there really wasn't much to see here,

**Trump is right to be skeptical. It would feed this frenzy for months.**

would any of the Epstein theorists really be convinced? Unlikely.

Mr. Trump says he wants Ms. Bondi to put out more information, "whatever she thinks is credible," and that's fine, subject to judicial orders and sensitivities to privacy, which is a real concern for accusers and victims. It's easy for those on the outside to demand more disclosure, since they don't have to make those hard calls or be accountable for them.

The unknowable question is what would be left after the sensitive materials are scrubbed. Alan Dershowitz, the lawyer who represented Epstein, wrote in our pages this week that Epstein never created any client list. "The FBI interviewed alleged victims who named several 'clients,'" he wrote. "We don't know whether the accusations are true."

Mr. Trump has now turned to blaming the uproar on Democrats. "Their new SCAM is what we will forever call the Jeffrey Epstein Hoax," he wrote on Truth Social, "and my PAST supporters have bought into this 'bulls—,' hook, line, and sinker." Yet Mr. Trump promoted these conspiracy theories when he was out of power. Too bad some of his fans believed him.

## A Violent Week for the Syrian Experiment

The talk of Syria joining the Abraham Accords, common as recently as last week, now appears premature, to put it lightly. After regime forces committed atrocities against the Druze minority in southern Syria, Israeli jets bombed Syria's military headquarters in Damascus and struck near the presidential palace on Wednesday.

This halts the momentum of Ahmed al-Sharaa's new Damascus regime, which seems to have miscalculated and failed to restrain its own forces. Israel will also need to be careful wading into Syria's sectarian conflict. It's one thing to prevent a massacre by bombing Syrian forces advancing on the Druze-majority province of Sweida, and another to make ostentatious strikes on the Syrian capital.

The conflict in Sweida picked up with communal violence between Bedouins and Druze, a non-Muslim minority. Syria's Defense and Interior ministries took that as an opening to do what Israel has warned against: Deploying troops south of Damascus to bring the Druze to heel.

After walking into an ambush by a Druze militia, Syrian forces escalated. The Syrian Observatory for Human Rights reports that 83 people were executed by regime forces, out of 597 dead on all sides over four days. Looting and destruction were widespread, and videos circulated of soldiers humiliating Druze men and clerics.

Druze militias retook the area Thursday after a U.S.-brokered cease-fire and Syrian regime withdrawal, though violence persists as Bedouin tribes mobilized for a new offensive after reports of Druze reprisals. On Thursday Israeli Prime Minister Benjamin Netanyahu said the cease-fire was "achieved through

**An attempt at forced centralization backfires with Druze and Israelis.**

strength, not pleading" and reiterated his policy: "We will not allow military forces to move south of Damascus, and we will not allow harm

to come to the Druze" of Sweida, whom he called "our brothers' brothers." Israel is home to some 150,000 Druze, beloved for their substantial military participation and bravery.

This suggests Israeli policy was driven by affinity, in addition to the security logic of maintaining a buffer zone with the Turkish-backed regime of Mr. Sharaa, a former al Qaeda commander. Domestic pressure on Mr. Netanyahu to intervene was widespread, and 1,000 or so Israeli Druze broke through the border fence to Syria to try to help and had to be retrieved. Israeli strikes received support from party leaders on the left, right and center.

The danger is that violence spreads and Syria fragments, letting gangs and jihadists fill the vacuum. Iran, whose expulsion from Syria was a major gain from the Assad regime's fall, could also attempt a comeback.

But Mr. Sharaa's approach of forcing centralization is also showing its limitations. He stacked key ministries with loyalists, included foreign jihadis as army commanders and wrote a constitution placing nearly all power in his hands. Verbal assurances of safety for the Druze and Kurds, if they surrender their weapons and dissolve their blocs, are now less convincing than ever.

It is desirable to have the central government exercise control over more Syrian territory and incorporate the minority forces, albeit on terms that don't leave their communities defenseless. But Mr. Sharaa will need to start by controlling the forces he already has.

## LETTERS TO THE EDITOR

## Readers Respond to Bill Gates on Health Aid

In his op-ed "U.S. Aid for Global Health Is Saving Lives" (July 15), Bill Gates calls attention to how "guaranteeing and pooling demand for HIV/AIDS relief . . . encourages pharmaceutical companies to compete in drug development and manufacturing."

Mr. Gates's altruism is admirable. But he wants U.S. taxpayers to supplement substantially his efforts, while acknowledging that the private sector can do the same job given the right incentives.

Consider autonomous-vehicle development. The Defense Advanced Research Projects Agency kicked the technology off with competitions between 2004 and 2007 for prizes of \$2 million at most. That spurred mostly university participation that companies picked up for development without the need for billions in taxpayer cash. Perhaps there should be a relatively-cheap government award program for saving lives through medical intervention and innovation. The private sector has proven more efficient and effective anyway.

PHILIP GOTTHELF  
Warwick, N.Y.

I applaud Mr. Gates for the ways he has applied his fortune to save lives. He accumulated wealth through business acumen and says Microsoft "sometimes had to make difficult changes to our business." If the U.S. doesn't make some difficult changes in the way we do business as a country, including funding Africa's medical systems, it'll harm the economy and so health care for many future Americans.

JOHN FORTUNO

Olympia, Wash.

I am thrilled that Mr. Gates has offered his entire life's savings to help world health, on which he has already spent a fortune. More power to him. I am, however, far more concerned about the health of our dollar, what it can buy, and President Trump's efforts to strengthen it by eliminating unconstitutional, deficit-increasing, dollar-debasing federal outlays.

Mr. Gates' wonderful spending is voluntary. Taxation and dollar debasement are not. Let's let Mr. Trump's program continue please.

DON STOTT

Montrose, Colo.

## A Closer Look at Trump's Message to Putin

Regarding your editorial "Trump Sends a New Message to Putin" (July 15): President Trump's threat to impose tariffs on Russia if Vladimir Putin fails to stop his aggression against Ukraine is virtually meaningless. Tariffs on goods sent to America would be ineffectual. Russian exports to the U.S. even in 2021 comprised less than 4% of its total exports. The secondary tariffs on countries trading with Russia also seems effectively nominal. Countries are already dodging U.S. secondary sanctions on Russia.

The fact that Mr. Trump pegged his punitive secondary tariffs at 100%, far lower than the 500% contained in the Senate bill, signals to Mr. Putin that America isn't serious. Even that bill would provide waivers, over which Mr. Trump would retain a good deal of discretion. Altogether, Mr. Trump's tough guy pose looks to be just that—a pose.

ALBION M. URDANK

Los Angeles

Before anyone gets too excited that Mr. Trump has finally noticed that Mr. Putin is the chief stumbling block to ending the war with Ukraine, it bears noting that the president has a troubling track record of establishing arbitrary deadlines and not following through when the likelihood of success appears to diminish. Given Mr. Putin's willingness and intractability in prosecuting the war against Ukraine, 50 days is a long time for a

MARK GODES

Chelsea, Mass.

Mr. Trump should seize the \$300 billion in Russian assets the West holds and use the cash to buy weapons for Ukraine. That will really irk the Russians. He can use it as leverage too, threatening to give all the money to Ukraine if there is no settlement. Better yet, he could use the cash to push Moscow into concessions and still insist Russia and Ukraine split the pot, with Ukraine's portion going to rebuilding after the devastation Putin has wrought. This solves the problem of what happens when there is peace.

JON LINKER

Houston

For a guy who once bragged what a genius he is, Mr. Trump is a pretty slow learner. He says that he thought he had a deal with Mr. Putin "numerous times" only for Russia to strike more civilians. Mr. Putin "talks nice and then bombs everybody in the evening," Mr. Trump says. Somebody needs to teach the president the old adage: Fool me once, shame on you. Fool me twice, shame on me.

RICHARD SIEGELMAN

Plainview, N.Y.

More data reduces risk for the mortgage system. Major banks have concluded that VantageScore 4.0 is more predictive of consumer credit delinquency than FICO Classic. An independent analysis from the Urban Institute found including rent reporting in credit-score calculation helps more Americans access mortgages.

The time for competition in mortgage credit scoring has come.

SILVIO TAVARES

President and CEO of VantageScore  
San Francisco

**A Sovereign-Wealth Lesson**

In his op-ed "A Sovereign-Wealth Fund to Keep America's Technological Edge" (July 16), Pat Gelsinger cites the sovereign wealth funds of Norway and Singapore as good examples. But these are relatively small and homogeneous states. It would be far more difficult for a large and heterogeneous country such as ours to coalesce and spend our tax dollars wisely, as there are so many competing interests. The track record here so far is instructive. One loses count of the billions in U.S. government grants and loans to failed businesses.

ARI WEITZNER

New York

## Pepper ... And Salt

THE WALL STREET JOURNAL



"He's not a people person but he'll contribute an occasional snarl."

## CORRECTION

"Murder in Pitigliano" is the fifth book in Camilla Trinchieri's "A Tuscan Mystery" series. The July 12 book review "A City Cop Is Back on the Beat" misspelled the number of books in the series.

Letters intended for publication should be emailed to [wsj.ltrs@wsj.com](mailto:wsj.ltrs@wsj.com). Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

## OPINION

## The Economics of DIY

By Roland Fryer

**A**mericans are obsessed with doing things ourselves. We clean our houses, assemble our furniture and grill our burgers—even when we'd be better off hiring someone else.

I still mow my lawn and cook most nights for my family, even though I work 80 to 90 hours a week, not counting my side hustle as an unpaid driver and sideline soccer coach for my two daughters. I'm an economist, able to think through these decisions rationally, yet here we are.

When a friend invited me to play golf and I declined because the yard needed mowing, he didn't hide his disbelief. "You can pay someone to cut your lawn," he said, "but you can't pay someone to have fun for you."

### Should you hire someone to mow your lawn or clean your house? It's a question of opportunity cost.

He meant it as a joke. I took it as an indictment. He was calling me out on one of the most basic principles in economics: opportunity cost, meaning the things you give up when you spend your resources, including time and money, on something else.

Was he right? Maybe. But a truly economics-informed approach to DIY is more nuanced than it seems.

It's tempting to treat decisions like this as simple arithmetic. Add up the cost of hiring help. Compare it with

your hourly wage. Voilà. In that light, it does seem crazy for a tenured professor to mow his own lawn. It seems even crazier to do what I did as a broke grad student, when I hired a daily housekeeper so I could stay focused on what mattered most: research, writing, teaching and the occasional videogame when I wasn't consumed by the first three.

But that isn't really thinking like an economist. Economic decision making is about considering the full set of options and how much you value each one. Sometimes, you may find yourself mowing the lawn when you can afford not to, or paying more than your hourly wage to hire help. Other economic concepts can illustrate why.

One is diminishing marginal returns. The value of an extra hour isn't fixed—it depends on what came before it. If you've been working all weekend and finally carve out a free hour, mowing the lawn might feel like a punishment, and avoiding that punishment would be especially valuable. But if you've spent the weekend relaxing or playing with your kids, that same hour might feel restorative. The activity hasn't changed, you have.

When I've been traveling too much and haven't seen my daughters, I'll sometimes take an Uber with them instead of driving, just so we can sit in the back and catch up. To me, that's money well spent.

That brings me to a third economic layer to consider: American beliefs about identity and morality. We attach pride to doing things ourselves, and pride has value, too.

For some of us, mowing the lawn isn't only about grass, time or money.



ROBERT NEUBECKER

It's about what it says about us. It signals: I take care of my things. I don't rely on others. I'm not above the work. Sometimes I wonder if I'm pushing that mower out of principle or because I want others to see me pushing it.

Beneath our pride lurks that opportunity cost my friend chided me about, a cost that too few people seriously consider. According to the Bureau of Labor Statistics, Americans spend two hours a day on household activities like cooking, cleaning, laundry and yardwork. That's more time than we spend exercising or socializing.

We probably should buy more of that time back, even if it means swallowing a little pride. Not everyone can or should outsource his DIY activities, of course. But a great many people perform these tasks out of habit, inertia or guilt and would be

better off spending the money to get help. Here are some examples of how to think through this decision like an economist:

Jane is a corporate lawyer and workaholic. There aren't enough hours in her day. Her rare moments of free time are precious—and she's got cash to burn. For her, paying someone to clean the house or prepare dinner isn't indulgence. It's common sense. This is an easy one.

Heather is short on both time and money, and hiring a cleaner would cost more than she makes at work. Unless she really hates cleaning or needs that time for something urgent, she's probably better off doing it herself. That isn't a failure. It's the most rational choice given her circumstances.

John is a middle-class dad with modest savings and limited flexibility at work. If he wants extra time at

home, he can't simply clock out early. He pays the cleaner more than he makes per hour, so on paper, it doesn't seem to add up. Yet if it buys him time to read to his kids or help with homework or simply be less stressed after a long shift, it might be the smartest money he spends all week. He isn't maximizing his present disposable income, but he's boosting his lifetime utility.

Which version of me was more rational: the grad student who outsourced chores, or the tenured professor who mows his own lawn? Both. My circumstances changed. Back then my time was cheap but my future was expensive, and buying time to develop as a young professional was a good investment. Now my time is costly, but the stakes are lower, and I've come to take pride in doing certain things myself. Viewed through that lens, both decisions make economic sense.

But I still hear my friend's voice every time I crank up the mower or change my own oil: You can pay someone to do those things. But you can't pay someone to build your career, enjoy your kids, laugh with a friend, or recover from a long week.

If Americans put a fair price on their time—on their short- and long-term health, and their kids' well-being—more households would outsource more DIY projects. We would do well to swallow our pride, hire some help, and buy back our lives.

*Mr. Fryer, a Journal contributor, is a professor of economics at Harvard, a founder of Equal Opportunity Ventures and a senior fellow at the Manhattan Institute.*

## The 'Fed Mahal' Is an Act of Central-Bank Self-Sabotage



POLITICAL ECONOMICS  
By Joseph C. Sternberg

The Trump administration has stumbled into an effective line of attack against one of its favorite antagonists—but in service of the wrong goal. I speak of the latest assault on the Federal Reserve over a palatial headquarters building.

Go ahead and call the project the Fed Mahal. The central bank is spending somewhere between \$2.5 billion and \$3 billion to renovate its office complex in Washington. The project is, by all accounts, ridiculous. There's some question about what is actually being built, but the zoning application included glass-enclosed atria, a subterranean concourse connecting the structures, a new underground parking lot, and "executive" dining facilities. All reportedly encased in high-end marble.

It's so over-the-top that you'd assume it was being executed by one Donald J. Trump, real-estate developer. It's been compared to the Palace of Versailles, after Dartmouth

economist Andrew Levin recently calculated that the projects cost about the same. Mr. Levin uses historians' estimates of the equivalent of the money Louis XIV deployed to erect Versailles in 1715 to work out what it would cost in 2025 dollars: \$3 billion. The U.S. Capitol complex cost an estimated \$2.1 billion in current dollars—main structure and congressional offices combined.

Mr. Trump and his followers pitch this fiasco as a question of competence. "Instead of attempting to right the Fed's fiscal ship, you have plowed ahead with an ostentatious overhaul of your Washington D.C. headquarters," Russell Vought of the Office of Management and Budget wrote to Fed Chairman Jerome Powell last week. The building project appears to be around \$700 million over budget, even as the Fed's losses from its core conduct of monetary policy—maintaining large asset holdings and paying interest to commercial banks on their reserve balances—also are mounting.

Don't take these complaints too seriously. This isn't the first government building project to run out of control, and it won't be the last. The

sums involved, vast as they are, constitute an undetectable rounding error in the context of the federal budget. On which the Fed isn't drawing for this project, anyway, since the central bank is funding the work works from its own resources.

### Any bureaucracy will build itself a palace if given the chance. This one is a threat to its independence.

Mr. Trump probably doesn't care about any of that. What he wants from Mr. Powell is lower interest rates. Among other considerations, Mr. Trump appears to be worried about the consequences of Fed interest-rate policy on the federal budget. That's the meaning of his complaint that by refusing to cut interest rates, Mr. Powell is "costing" the Treasury up to \$1 trillion in the form of higher interest payments on the federal debt.

This is at the root of a brewing crisis concerning the Fed's indepen-

dence from the rest of the government. In place since the 1950s, that separation is supposed to divorce monetary and fiscal policy by allowing the Fed to manage inflation independent of whatever inconvenience it causes for Treasury or Congress in the process. The alternative is fiscal dominance, in which monetary authorities must conform their policies to the needs of big-spending politicians chiefly by maintaining low borrowing rates.

Central-bank independence is a core tenet of modern economic management and for good reason. The alternatives tend to end in Argentina-style disasters. Understand, however, how counterintuitive it can seem to voters. They must surrender some control over the government's budget—and hand over awesome powers to regulate the flow of capital and credit through the economy—to an unaccountable technocracy in the hope that they'll get price stability in exchange. This grand bargain is premised on the notion that the central-bank technocrats, unlike almost any other bureaucracy in history, are unusually public-minded and self-denying. In

other words, that they'll use their powers wisely.

This is the real reason the Fed Mahal uproar is so damaging to Mr. Powell. The Fed manifestly failed to deliver the price-stability part of the central-bank-independence bargain after 2021. That failure undermines one argument for independence, but it could be overcome with sufficient honesty (not as yet forthcoming) about why the Fed botched its policy calls so badly.

Now it transpires that given the opportunity, the Fed will behave as any other bureaucracy in advancing its own marble-clad comfort. Why, then, should the Fed enjoy a privileged status within the government, free of democratic control?

So that we don't get an Argentina-style monetary policy directed by an occasionally bankrupt real-estate tycoon, might come the answer. And a good answer it is. But after a point it isn't enough to argue Mr. Trump or any other politician would do worse. The Fed needs to show it can do better. While it tries to explain its failures on inflation, a good start would be to tough it out in a more utilitarian office space.

## Don't Surrender China's AI Market

By Aaron Ginn

Why did Jensen Huang go to China? The Nvidia CEO wants to make American tech platforms the global artificial-intelligence standard by gaining market share and engaging other countries with U.S.-developed computing infrastructure. That means doing business in the largest AI market outside the U.S.

Some in Washington seem confused by this. Sens. Elizabeth Warren (D., Mass.) and Jim Banks (R., Ind.) sent a letter in May asking Mr. Huang to explain why his company would "choose to enrich an authoritarian country's innovation ecosystem." They're at it again, chiding him in another letter last week for meeting with Chinese business executives. It's the second time these senators have questioned the patriotism of one of America's most important CEOs. The objections reveal a deep misunderstanding of how America wins: not through fear and withdrawal, but through strength and engagement.

Mr. Huang's strategy aligns with

President Trump's: Engage with all, compete everywhere, and avoid abandoning markets out of ideological fear. Mr. Trump hasn't isolated. He has negotiated more with foreign countries than any modern president and built leverage for U.S. manufacturing. President Biden, in contrast, presided over a shrinking American share of the AI and semiconductor markets in China, offering moral lectures with little follow-through.

If Nvidia were violating export controls or handing over sensitive intellectual property, that would be a problem. But that isn't happening. The company established a compliance center in China to ensure that its operations follow U.S. regulations, even shutting down chip sales after a recent ruling by the Bureau of Industry and Security. Nvidia could face billions of dollars in losses as it navigates a shifting legal landscape.

What critics don't understand is that selling Nvidia chips to China doesn't "enrich" China's ecosystem. It locks China into ours.

Owning Nvidia hardware isn't the same as creating a proprietary AI ecosystem, just as buying a PlaySta-

tion doesn't make you Sony. China can buy the "console," but the true value lies in the platform—its software, developer community and tools. That's Nvidia's enterprise suite and its parallel computing platform, CUDA. Nvidia's strength is its hardware-software combo, like

### America's best strategy for keeping our semiconductor industry's lead: Get our rivals to buy from us.

the Apple of semiconductors. When Chinese AI developers code on U.S. graphics processing units, they strengthen American software dominance, building on our system, not Huawei's.

If we exclude Chinese firms from Nvidia, we won't slow their progress. In fact, we might accelerate it. The reason other global customers consider Huawei's AI infrastructure a suitable alternative is that we previously surrendered the largest AI

developer market to the Chinese company based on faulty assumptions, not lack of demand. Export restrictions and mistrust in U.S. trade policies initially created Huawei's early-adopter market. Its GPU division is expanding and is expected to ship millions of units within a year. The best way to erase our lead is to force our competitors to develop viable alternatives.

Here's the best strategy for America to keep its lead: Get your rivals to buy from you, not your competitors.

America should endorse Nvidia's globally linked approach. It boosts revenue, expands American jobs, reinforces our software leadership, and slows competitors' growth. This isn't about "enriching" adversaries; it's about making them rely on us. China used this strategy against us with low-cost manufacturing over the past three decades. Now it's our turn to reciprocate with semiconductors. Mr. Trump's approach involves strategic engagement with a mix of rewards and pressure. He uses tariffs when needed but always keeps negotiations active, closing deals rather than lecturing. In contrast, Mr. Bi-

den's more isolationist stance ended up pushing countries and customers toward China. The Chinese are ready. Their large language models are advancing, their chip industry is growing, and Huawei is stepping in to fill the gaps we've left.

Technological leadership is about leverage and adoption. Nvidia is playing to win, and a victory for them is a victory for America. It's setting the global standard while keeping the largest AI market in the world tethered to American technology.

When senators try to make headlines by questioning a CEO's patriotism, they undermine American economic leadership. America's strength comes from open markets, free enterprise, and platform dominance, making us the default choice at scale.

Retreating equates to losing; competing leads to winning. Messrs. Huang and Trump realize this. Let America compete, and we will win.

*Mr. Ginn is CEO and a co-founder of Hydra Host, a venture-backed AI data-center services and management company.*

## Notable &amp; Quotable: 'Colonialist' Paintings

From Heather Mac Donald's speech at the New Criterion's April 24 gala:

Consider a recent exhibition at the Metropolitan Museum of Art. The show featured the Met's extraordinary collection of paintings from the Dutch Golden Age, that explosion of creativity that produced Rembrandt, Vermeer, Frans Hals, Gerard ter Borch and other masters. Were we to see beauty in those cloud-laden horizons, those serene compositions of domestic order, those haunting portraits of age and vulnerability? No, we were to see

what was not there: "colonialism, slavery, and war," which, the Met curators reminded us, were major themes in seventeenth-century Dutch history, but which were "barely visible" in the Met's Dutch collections. Or take the still lifes, a new genre that marked Northern Europe's epoch-changing attention to empirical detail. What was a viewer to make of the dragonfly iridescence of ripe grapes, the delicate play of light on cut glass, the puckered skin of a lemon peel? Do not be taken in!

The Met advised us. Dutch still-life paintings omitted the "human cost of colonial warfare and slavery" that underlay the bounty these canvases documented, the wall labels warned. Of course, by definition, a still life features inanimate objects, not human subjects, so any still life would be hard-pressed to portray colonial warfare and slavery. But never mind. . . .

The wall text for the Metropolitan Museum's warrior plaque from the West African court of Benin says nothing about that city-state's lucrative trade in slaves or its ruthless territorial conquests. Court paintings from China are not deconstructed as a fig leaf for imperial expansion.

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## WORLD NEWS

# Beijing Wants In on Panama Ports Deal

China threatens to block agreement if state-owned Cosco doesn't get stakes

BY COSTAS PARIS  
AND JACK PITCHER

China's government is threatening to block a deal that would transfer ownership of dozens of seaports to Western investors if Cosco, China's largest shipping company, doesn't get a stake.

The proposed sale includes two ports at the Panama Canal and more than 40 others around the world, all owned by Hong Kong-based **CK Hutchison**.

China is pushing for state-owned Cosco to be an equal partner and shareholder of the ports with **BlackRock** and Mediterranean Shipping, a containership operator, people fa-

miliar with the deal talks said. BlackRock and MSC in March reached a preliminary agreement to buy the ports in a deal valued at nearly \$23 billion.

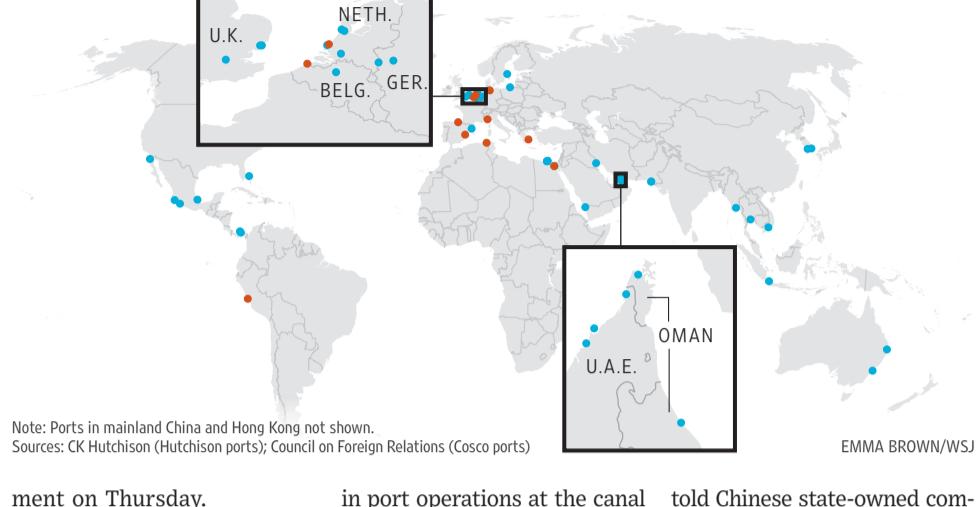
Now, BlackRock, MSC and Hutchison are open to Cosco's taking a stake, said the people familiar with the talks.

The parties aren't likely to reach a deal before a previously agreed upon July 27 end date for exclusive talks among BlackRock, MSC and Hutchison, the people familiar with the talks said. The parties can't strike a deal that includes Cosco until the exclusivity period ends.

Any deal giving a stake in the Panama ports to a Chinese-owned company would likely upset President Trump, who has threatened to take control of the canal and has objected to Hutchison's ownership of two ports there.

The White House didn't respond to a request for com-

Hutchison and Cosco's port networks



Note: Ports in mainland China and Hong Kong not shown.

Sources: CK Hutchison (Hutchison ports); Council on Foreign Relations (Cosco ports)

ment on Thursday.

Rep. John Moolenaar (R., Mich.), who chairs a Congressional committee on China, made public a letter he sent to a top Panamanian official, saying that the inclusion of Cosco or any other Chinese company

in port operations at the canal "would represent an unacceptable risk to the national security of both our nations."

Hutchison's initial plan to sell the ports angered Beijing, people familiar with the talks said. Chinese authorities have

told Chinese state-owned companies to freeze any coming deals with Hutchison or other businesses linked to its controlling shareholder, the family of the Hong Kong billionaire Li Ka-shing, these people said.

The proposed sale of the

ports has added to the growing tensions between China and the U.S. During U.S.-China trade talks in Switzerland in May, Chinese representatives raised the prospect of China's involvement in the deal, people familiar with the trade negotiations said.

Chinese officials have told BlackRock, MSC and Hutchison that if Cosco is left out of the deal, Beijing would take steps to block Hutchison's proposed sale, said people familiar with the deal talks.

In past global mergers, China's Commerce Ministry has asserted rights to review a deal, sometimes insisting on changes that can appear politically motivated. China has significant leverage over the parties involved in the Panama Canal ports deal. BlackRock and Hutchison have business interests in China, and MSC is one of the biggest movers of Chinese exports around the world.

## Taiwan Puts Military Drill on Display

BY JOYU WANG

TAICHUNG, Taiwan—In the stillness of a small village on the outskirts of this central Taiwanese city, two CM-34 "Clouded Leopard" armored vehicles rumbled down narrow country lanes, unloading soldiers tasked with countering a simulated Chinese landing force pushing inland.

On the other side of town, two CM-11 "Brave Tiger" battle tanks concealed behind a community center fired mock rounds at a rice paddy, the blasts echoing through the village.

In years past, Taiwan's annual Han Kuang exercises have been staged on military bases, along desolate coastlines and generally out of sight for the average resident of Taiwan, a democratically self-governed island at the center of regional tensions in the Asia-Pacific.

This year, the drills feel like something else entirely: They are twice as long, larger than ever in scale and far more visible in everyday life, spilling into the parking area outside a Costco, onto subway cars zipping underneath the capital city of Taipei and into viral social-media posts. In one case, a tank inadvertently sideswiped a passing car. In another, several tanks ended up outside the American big-box retailer's store in the southern city of Tainan.

Under President Lai Ching-te, who took office last year, Taiwan's government has shed its cautiousness about spooking global investors, and its own public, with warnings of a Chinese invasion that could wreak havoc on this island of 23 million people.

Instead, this year's 10-day-long edition of the Han Kuang drills was designed to send a message to Washington: Taiwan is ready to fight on its own, and if you send us weapons, we will quickly integrate them into our defenses.

In addition to serving as a dry run for a feared Chinese landing, the drills, which end Friday, are doubling as an open-air showcase for U.S.



Soldiers and volunteers took part in Thursday's Urban Resilience Exercise in Taipei.

military hardware, which Taiwan has spent dearly to procure—and which it is eager to flaunt in a show to the Trump administration of its willingness to buy American goods and defend itself.

In the heart of Taipei, U.S.-supplied Patriot missile batteries were put into place at a busy riverside park, set against the backdrop of the Taipei 101 skyscraper, once the world's tallest building.

On Saturday, the Taiwanese military showed off newly commissioned HIMARS systems, the U.S.-built multiple rocket launchers deployed to devastating effect by Ukraine. In a high-profile public debut, one week after the hardware entered service in Taiwan, troops conducted exercises designed to show it off, including loading mock rounds and engaging in concealment maneuvers.

These weren't conducted in out-of-the-way locales. One of the HIMARS systems was set up in a suburban park, where families were strolling by and

taking photos, while another was placed in a nearby open-air parking garage.

During a midnight drill on Tuesday, soldiers used Hesco bastions—a U.S.-developed barrier system meant to replace traditional sandbags—to block off a major bridge running through the center of Taipei.

As morning dawned, a TOW-2B missile launcher mounted on a Humvee made a rare public appearance during a drill on the outskirts of the capital, near a major commercial port that faces the Chinese mainland from across the Taiwan Strait.

The antitank missiles, another purchase from the U.S., arrived in Taiwan this year.

"With the U.S. questioning our defense budget, these drills are also a way to show we have the will to defend ourselves," said Lin Ying-yu, associate professor at Taiwan's Tamkang University.

To his own public, Lai's message is equally clear: The threat from China is real.

Before Tuesday morning's drill on the outskirts of Taipei, a city government loudspeaker blared a message in Mandarin and Taiwanese: "Please don't panic if you hear gunfire," a male voice said.

Moments later, another male voice came from a military broadcasting vehicle, part of the island's psychological-warfare unit, identified himself as a battalion commander before delivering a message for soldiers taking part in the exercise.

"We're the ones holding the front line. If we fall, it's our families and friends behind us who'll take the bullets," the man said. "Rather than hoping the U.S. or others will come to our aid, it's better to believe that men must stand on their own."

Chen Shun-e, 82, didn't expect to encounter soldiers when taking her usual morning walk at a park in central Taiwan on Tuesday. She said she was surprised to see so many troops, but laughed it off, saying she didn't really understand the geopolitical situation.

"It's just like firecrackers—nothing to worry about," she said of the mock gunfire sounds. "It's very good that they're out training."

## China Blocks Departure Of Wells Fargo Banker

BY CHUN HAN WONG  
AND REBECCA FENG

A U.S.-based **Wells Fargo** banker who works in trade financing has been blocked from leaving China after traveling there recently, people familiar with the matter said.

Chenyue Mao, a Shanghai-born and Atlanta-based managing director at Wells Fargo, was subjected to an exit ban after she entered China in recent weeks, the people said. An automated reply from her corporate email account said she was traveling internationally on business.

The reason for her travel to China couldn't be determined.

Mao attended an industry conference in Brazil in late June, according to a news release from the event. It couldn't be determined precisely when Mao entered China, or what prompted the travel restriction. Wells Fargo has suspended all travel to China following Mao's exit ban, the people said.

Wells Fargo said it is "closely tracking this situation and working through the appropriate channels so our employee can return to the United States as soon as possible."

Mao is a longtime specialist in international factoring, a process of exporters in one country selling unpaid invoices to third parties, who then collect payments from importers in another country.

She has worked and interacted with Chinese companies and industry groups on trade financing and international factoring matters, according to disclosures from these entities. She sometimes traveled to China for business, a person familiar with the matter said.

Mao is also chairwoman of FCI, formerly known as Factors Chain International, a global network of companies that do business in the factoring and financing of trade receivables. She was elected to the role in late June, at an FCI annual meeting in Rio de Janeiro.

Mao and FCI didn't respond to requests for comment. China's foreign and public-security ministries, as well as its National Immigration Administration, also didn't respond to queries.

Mao had been active on her LinkedIn account as recently as around two weeks ago, when she acknowledged congratulatory messages on her election as FCI chair.

The vast majority of exit bans aren't imposed on people accused of crimes. Most bans have been slapped on people involved in civil litigations such as business disputes.

In other cases, the bans are implemented to facilitate criminal probes, intimidate dissidents, or even create leverage in disputes with foreign companies and governments. Exit bans can last for months or even years.

Western officials and human-rights groups say the use of exit bans has become common in China, where authorities have imposed such measures on people who were being investigated or asked to assist with government probes. People targeted often don't know that they are subject to such bans until they try to leave mainland China.

The use of such measures on foreign executives has intensified concerns about business travel to mainland China in recent years. Some companies have canceled or postponed trips, while others have added safeguards, including telling staff they can enter the country in groups but not alone.

Mao has worked at Wells Fargo since 2012, according to her LinkedIn profile. According to a biography on FCI's website, Mao has worked in factoring for more than two decades and spearheaded Wells Fargo's "international factoring business and advises multinational clients on cross-border working-capital strategies."

Before her election as FCI chair in June, Mao previously served as vice chair, among other roles.

## Nationwide Subsidy Aims to Ease Chinese Baby Shortage

BY LIYAN QI

Local governments in China have tried to lift the shrinking birthrate with perks, cash rewards and housing subsidies. Now the central government is stepping in.

Beijing plans to pay a basic annual per-child subsidy of 3,600 yuan, equivalent to about \$500, until the age of 3, according to a central government decree released recently on local government websites.

China's fertility rate—the number of children a woman has over her lifetime—is around one now, one of the world's lowest, posing enormous challenges for the economy and society.

Huang Wenzheng, chief researcher of YuWa Population Research Institute, a think tank involved in the policy discussions, said the planned subsidy is half or less of what Chinese demographers, econo-

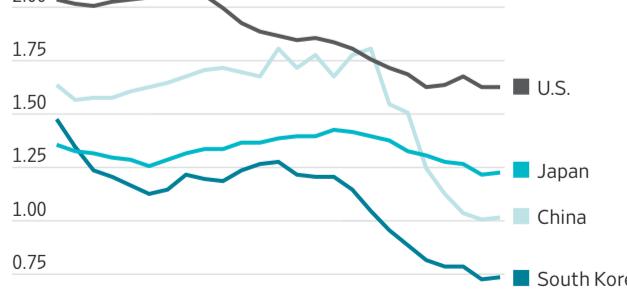
mists and researchers proposed. Huang thinks the spending—less than 0.1% of GDP—must be 50 times higher to return fertility to the replacement level of around 2.1.

"The mindset is still seeing the spending as costs, not investment in the future," said Huang, who had pushed Beijing to ease birth restrictions over the years, including ending the one-child policy in 2015.

China's State Council, or cabinet, and the National Health Commission didn't reply to requests for comment. Bloomberg News reported earlier on the planned subsidies.

The number of newborns in China had plunged for six straight years before a slight rebound last year following the end of Covid-19 restrictions. But only 6.1 million couples registered marriages in 2024, the latest official data show, down 21% from 2023 and the lowest since the gov-

### Fertility rates



ernment started releasing such statistics in 1986.

The number of newborns this year will likely drop below nine million, demographers say, less than half the number in 2016, when China allowed couples to have two children

for the first time since the one-child policy was implemented nationwide in 1980.

Authorities have held up enticements offered by cities such as Tianmen in Hubei province as having produced the kind of baby boom leaders

would like to see nationwide. But it isn't clear if the incentives there were decisive.

Skyrocketing costs of child rearing in China discourage couples. So do health scares, such as a recent scandal at a private kindergarten, where 233 children were found to have high levels of lead in their blood, the official Xinhua News Agency reported this month, citing local investigators. Authorities said kitchen staff had used industrial coloring in pastry and other foods.

"If I bring a child into a world with poisonous milk formula and foods, why should I rush to have children?" one social-media post read.

Beijing has taken steps such as gradually raising the retirement age, but policymakers seem to be adopting a half-hearted rather than a comprehensive approach to the demographic problem, said Ilaria Mazzocco, senior fellow at the

Center for Strategic and International Studies, a Washington-based think tank.

It is hard to see quick returns on policies to encourage births, judging by such efforts in other countries, such as South Korea and Japan, Mazzocco said. Beijing's spending on technologies for national security leaves less for improvements to social welfare that in the long term should help lift births, she said.

In China's cooling economy, many young people struggle to find jobs. And owing to falling births, it is particularly hard on kindergarten teachers.

Kiki Wang, 28, from Jiangsu, was laid off in June. "It's not that you are not a good teacher, it's just we don't have enough kids," she recalls her principal telling her. More than 20,000 kindergartens closed last year, with nearly 250,000 teachers losing their jobs, government data show.

# BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Friday, July 18, 2025 | B1

S&P 6297.36 ▲ 0.54% S&P FIN ▲ 0.92% S&PIT ▲ 0.89% DJ TRANS ▲ 0.96% WSJ \$ IDX ▲ 0.34% 2-YR. TREAS. yield 3.916% NIKKEI (Midday) 39814.00 ▼ 0.22% See more at [WSJ.com/Markets](http://WSJ.com/Markets)

The streaming network's stock has nearly doubled in the past year. A 'Squid Game' promotional event in Bangkok last month.

## Netflix Lifts Outlook for Revenue, Margin Following Strong Earnings



Sources: S&amp;P Capital IQ; the company

BY JESSICA TOONKEL AND JOSIE REICH

Netflix raised its revenue and operating-margin forecasts for the year, continuing a strong run that has propelled its shares to new highs.

The streaming service said member additions, price increases and its growing ad business drove second-quarter revenue.

Netflix's revenue grew 16% to \$11.08 billion in the second quarter, while net profit rose 46% to \$3.1 billion. Those metrics slightly beat its guidance for the period.

Home to hits such as "Squid

Game," "KPop Demon Hunters" and "Ginny & Georgia," Netflix has established itself as the dominant global streamer, while other entertainment companies continue to grapple with challenged cable businesses. Netflix's stock has

nearly doubled over the past year, extending a run fueled by its success in limiting password sharing, building an ad business and raising prices.

The company's operating margin expanded to 34.1% in the second quarter, from 27.2% a year earlier, and above the 33.3% it had projected. Free cash flow grew to \$2.3 billion

Please turn to page B2

## FDA Allows Juul to Sell E-Cigarettes

Decision lets vaporizer, tobacco and menthol flavors stay on shelves

BY LAURA COOPER AND JENNIFER MALONEY

U.S. regulators authorized Juul Labs to keep its e-cigarettes on the U.S. market, breathing new life into the vaping company after a 2022 federal ban pushed it to the brink of bankruptcy.

The decision removes Juul

from the limbo in which it has been mired, not knowing whether its products would be allowed to remain on store shelves.

With clearance from the Food and Drug Administration, Juul could

now raise money from outside investors or sell part or all of the company.

Juul was once a vaping juggernaut and one of the most valuable startups in the U.S. But in 2022, the FDA ordered Juul to halt its sales because of unresolved questions related to the toxicology data Juul had submitted in its application to remain on the U.S. market.

Though the ban was quickly put on hold and Juul's e-cigarette sales resumed, the FDA ban sent Juul into a financial tailspin. Juul's co-founders and two board members had to put up the money for the company to settle thousands of lawsuits alleging that Juul had mar-

**18%**  
Juul's share of e-cigarette sales in U.S. stores tracked by Nielsen

keted its addictive devices to children and teens. Juul narrowly averted bankruptcy and its workforce shrank to a fraction of its former size.

Juul has denied allegations that it marketed its e-cigarettes to children and teens.

In its new decision, the FDA determined that the products' benefit as a less-harmful alternative for adult cigarette smokers outweigh any potential public-health risks, including to young people, a spokeswoman for the Department of Health and Human Services said Thursday. The move gives the green light to Juul's original vaporizer, along with refill cartridges in tobacco and menthol flavors.

She said Juul submitted robust data, including a two-year longitudinal study, demonstrating high rates of adult cigarette smokers who switched completely to Juul. The company also submitted new information addressing the FDA's questions, she said.

Juul Chief Executive K.C. Crosthwaite said the FDA's decision "validates our science and the efficacy in switching smokers," adding that "I think it's credibility-building for the company."

The FDA's decision—five years after Juul first submitted its products for federal review—follows a period of tumult for the company.

Marlboro maker Altria Group, which in 2018 paid

Please turn to page B2

## Meta Directors Settle Suit Linked To Privacy Scandal

BY ALYSSA LUKPAT

WILMINGTON, Del.—A lawyer in a data-privacy case against current and former **Meta Platforms** officials told the judge that shareholders who brought the suit and the defendants had agreed to settle, ending the trial on its second day.

The settlement means high-profile Meta executives and board members will avoid testifying about their response to the Cambridge Analytica scandal.

A group of company shareholders in 2018 sued some members of the board of what was then known as Facebook, including director Marc Andreessen, Chief Executive Mark Zuckerberg and former Chief Operating Officer Sheryl Sandberg.

The plaintiffs said the directors didn't ensure the company protected its users' data, leading U.K. data firm Cam-

bridge Analytica to improperly access information from millions of Facebook users.

One of the trial lawyers told the judge at the beginning of what was supposed to be a long day of testimony Thursday that both sides had agreed to settle. He didn't outline the terms of the deal. The judge, Chancellor Kathleen McCormick, congratulated both sides and said she looked forward to seeing the terms.

Venture capitalist Andreessen, as well as Zuckerberg and Sandberg, had been expected to testify in the coming days in Delaware's chancery court.

A Meta spokesman declined to comment Thursday morning. Lawyers for the defendants and shareholders didn't immediately return requests for comment on the settlement terms.

The shareholders also sued to hold the directors responsible for approving payment of a

Please turn to page B2



## Drugmakers To Discount Blockbuster Treatment

BY PETER LOFTUS

The drugmakers **Bristol-Myers Squibb** and **Pfizer** plan to sell the widely used blood thinner Eliquis directly to patients at a discounted cash price—a move that follows the Trump administration's pressure on the industry to cut drug prices.

The companies, which have a joint venture that markets Eliquis, said the new service will allow uninsured or underinsured patients to buy the pill at more than 40% off the current list price starting Sept. 8. The service will provide direct shipping of the drug to patients in the U.S.

"The BMS-Pfizer Alliance is committed to increasing patient access and affordability, which is why we are launching this direct-to-patient offering for Eliquis," said Bristol-Myers Chief Executive Christopher Boerner.

The Bristol-Pfizer joint venture decided to launch the direct-sales service for Eliquis after discussions with the Trump administration about affordability, a person familiar with the matter said.

Eliquis has a list price of \$606 for a 30-day supply, but will now offer a discounted cash price of \$346 a month.

Eliquis is one of the top-selling prescription drugs, generating more than \$13 billion in global sales last year. It is used to prevent blood clots and to ward off strokes in people who have irregular heart rhythms.

The sale of Eliquis will be available on a company website, Eliquis 360 Support, which offers copay assistance and information about the drug.

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Samsung's chairman is at last cleared of criminal charges in South Korea. B4



**HEARD ON THE STREET**  
Big banks convert Wall Street volatility into profit. B10

## CBS Ends 'Late Show' Franchise

BY JOE FLINT

CBS is pulling the plug on "The Late Show With Stephen Colbert"—and on the entire late-night franchise.

The network said the show would end in May, when host Stephen Colbert's current contract expires. Colbert announced the news to the audience attending the taping

for Thursday night's show and posted the message on social media.

He said he found out Wednesday night that CBS would end the show in May. The news was met with boos and catcalls from the audience.

"Yeah, I share your feelings," he responded to the crowd. "This is all just going

away."

CBS said the cancellation isn't related in any way to the show's performance, its content or other matters happening at parent company **Paramount Global**. It was "purely a financial decision," the network said.

Paramount is trying to close its merger with Sky-

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The news came as the world's largest contract chip maker logged record second-quarter profit.

## TSMC Speeds Up Arizona Expansion To Meet Demand

By SHERRY QIN AND JOYU WANG

**Taiwan Semiconductor Manufacturing** is accelerating its expansion in Arizona to meet soaring U.S. demand from clients in artificial intelligence and high-performance computing.

TSMC Chief Executive C.C. Wei said Thursday that the world's largest contract chip maker would pull forward production timelines for some of its planned facilities by several quarters. The expansion is aimed at creating a "gigafab cluster" in Arizona, to support U.S. clients in businesses like AI and smartphones, he added.

News of the speedier U.S. expansion came as TSMC reported a record second-quarter profit and raised its full-year guidance, despite currency headwinds and uncertainty over tariffs. The company's U.S.-listed stock rose 3.4% to \$245.60 in New York trading.

TSMC in March said it would invest at least \$100 billion more in the U.S. chip-manufacturing plants in a plan announced alongside President Trump. In total, the company is set to invest \$165 billion in the U.S., including in six chip-fabrication plants, two advanced packaging facil-

ties and an R&D center.

Wei said Thursday that the company's first fabrication facility in Arizona started to mass-produce advanced chips late last year and that it is now operating with yield rates comparable to fabs in its home market of Taiwan.

TSMC makes chips for some of the world's largest tech companies, including **Nvidia** and **Apple**, and has been a major beneficiary of soaring demand for the chips needed for AI and high-performance computing.

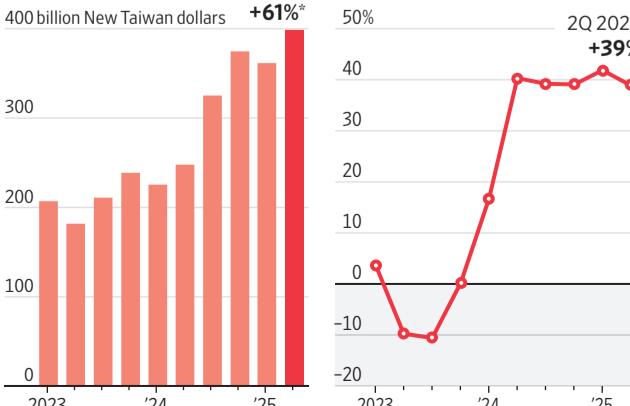
Wei said Thursday that demand for TSMC's advanced chips remains robust and that the company is endeavoring to "narrow the gap between the demand and the capacity."

Beyond AI and high-performance computing, TSMC is also eyeing growth in humanoid robots.

TSMC is facing several challenges, though, including a complex global trade environment. Company executives said it isn't clear what specific impact U.S. tariffs will have on TSMC's broader business.

TSMC logged a 61% jump in second-quarter net profit to 398.27 billion New Taiwan dollars, equivalent to \$13.54 billion. Revenue rose 39% to NT\$933.79 billion.

**TSMC's quarterly net profit**



\*Change from a year earlier Note: 1 billion NT\$ = \$34 million

## Netflix Lifts Sales Outlook

Continued from page B1 in the second quarter from \$1.2 billion a year earlier.

Netflix said it expects to generate \$44.8 billion to \$45.2 billion in revenue this year, up from an earlier forecast of \$43.5 billion to \$44.5 billion.

The company increased its guidance for operating margins

to 29.5% from 29%.

In January, Netflix raised prices across its existing U.S. plans. The company said subscribers' response to price changes had been in line with its expectations.

Its ad business also continues to grow, with Netflix aiming to double ad revenue this year.

Netflix has redesigned its user interface and invested in a variety of new programming,

including overseas and live events, to attract and retain subscribers.

"Not all view hours are equal,

and what we've seen with live is that it has an outsized positive impact around conversation, around acquisition and we suspect around retention," said co-CEO Ted Sarandos.

Shows like "Adolescence," about a 13-year-old boy ac-

16%

The streaming company's revenue grew this much in the second quarter

cused of murder, "Squid Game" and thriller "Zero Day" were among the most watched TV series during the first half of the year, according to an engagement report released Thursday. Among Netflix's slate of movies, "Back in Action," starring Jamie Foxx and Cameron Diaz, and Tyler Perry's "STRAW" drew the most views.

The number of hours viewed between January and June was up 1% from a year earlier, and Netflix said its slate for the second half of the year is particularly strong.

Shares of Netflix climbed 1.9% to \$1,274.17 Thursday.

## Discount Coming for Key Drug

Continued from page B1

The Trump administration has been leaning on the drug industry to cut prices. In May,

President Trump signed an executive order directing his administration to tie U.S. drug prices to the lowest prices in other developed countries, where they are generally much lower than in the U.S.

That executive order also called for more direct-to-consumer sales of medicines at these lowered prices.

Historically, drugmakers haven't sold their products directly to consumers, instead

relying on third-party wholesalers to distribute them and on insurers to pay for the bulk of the drugs' costs.

Other drugmakers have launched direct-sales services recently. Since early 2024, Eli Lilly and Novo Nordisk have started direct-to-consumer services for their respective weight-loss drugs, Zepbound and Wegovy.

The direct sales of Eliquis might be appealing only to a

small portion of patients. More than 90% of patients taking Eliquis have coverage of the drug under commercial or Medicare health plans.

The cash price is higher than the Medicare price for Eliquis that the Biden administration negotiated last year, under a law giving the Medicare agency the power to negotiate prices. The new Medicare price, \$231 a month, is set to take effect in 2026.

## FDA Clears E-Cigarettes From Juul

Continued from page B1 \$12.8 billion for a minority stake in Juul, divested in 2023 at a near-total loss. The FDA

considered Juul's appeal for two years and in 2024 formally rescinded its ban, putting the company's application back under scientific review and opening the door for federal clearance.

Juul is now the No. 3 e-cigarette brand in the U.S., after Vuse and Geek Bar. It represents about 18% of e-cigarette sales in U.S. stores tracked by Nielsen, according to a Goldman Sachs analysis.

## Tech Chief Departs FedEx

Continued from page B1 say that Dataworks was the target of the investigation, not Krishnasamy himself, and that it hadn't prompted Krishnasamy's exit.

Krishnasamy didn't reply to a request for comment.

The company and Krishnasamy "are finalizing the compensation and other terms regarding Mr. Krishnasamy's departure," the filing said.

The company said separately it will announce a transition plan in the future and that in the interim, the data and technology unit will

report to FedEx CEO Raj Subramanian.

Krishnasamy took over the role of chief digital and information officer in June 2024, and he had risen up the ranks at the parcel giant since joining FedEx as a financial analyst in 1997.

FedEx is pursuing a multi-year restructuring and efficiency drive, and executives at the delivery firm have said this year could be financially challenging.

Last month, FedEx executives said they were holding off providing financial guidance for the current fiscal year, citing trade uncertainties and that it expects a financial hit in the current

quarter due to President Trump's trade war.

The company reported lower earnings for the year ended May 31 and its stock is down 19% this year.

**FedEx said the Dataworks unit was the target of the internal investigation.**

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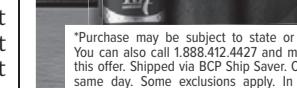
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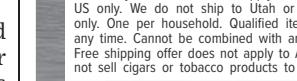
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## BUSINESS &amp; FINANCE

# PepsiCo's Revenue Rises but Volume Falls

**CEO cites challenges for the soda and snacks maker as logistics costs rise**

BY CONNOR HART

**PepsiCo** said its business remained resilient during the recent quarter, logging higher revenue despite a small drop in volumes.

The Purchase, N.Y., snacks and soda maker on Thursday noted an improvement in organic volume and market-share trends for its North America food business as the second quarter progressed. The company said the improvement occurred as the company stepped up commercial activities, such as increasing value for consumers and new product innovations.

The company will aim to further grow the business by accelerating its innovation and cost-optimization activities throughout the remainder



The company gained market share in carbonated soft drinks.

of the year, executives said.

Pepsi's North America beverage business also saw an improvement in organic volume trends in the latest quarter, as the company gained market share in the carbonated-soft-drinks category thanks to what it called the continued strength of Pepsi Zero Sugar.

In North America, second-quarter volumes fell 1% across Pepsi's food business and 2% across its beverage unit. Volume growth in Latin America foods and Asia Pacific foods were offset by lower food volumes across Europe, the Middle East and Africa.

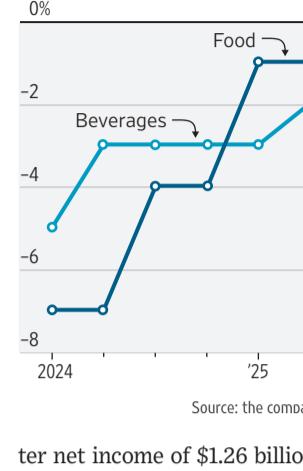
Chief Executive Ramon Laguarda said the company is ef-

**PepsiCo's quarterly revenue, change from a year earlier**



Note: Latest quarter ended June 14

**Sales volumes in North America, change from a year earlier**



Source: the company

pected \$2.03 a share.

Looking forward, the company said it will continue working to mitigate higher supply chain costs associated with global trade dynamics. It will additionally continue working towards longer-term productivity initiatives, leaning into automation, standardization, and increased use of digital tools and data analytics, it said.

Pepsi continues to expect organic revenue to rise some this year, as well as for earnings to be flat with last year on a constant-currency basis.

The company also now expects full-year foreign-exchange translation to ding net revenue and adjusted earnings by approximately 1.5 percentage points, compared with a prior projection of 3 percentage points.

Laguarda said foreign-exchange headwinds have moderated due to the weakening of the U.S. dollar.

Pepsico shares surged 7.5% to 145.44 Thursday.

## GE Aerospace Lifts Outlook On Tariff-Resilient Demand

BY KATHERINE HAMILTON

**GE Aerospace** raised its full-year earnings outlook and beat expectations on its top and bottom lines in the second quarter, as demand for its services is quelling concerns about macroeconomic turbulence and tariff costs.

Orders across its commercial and defense businesses increased in the second quarter, driving up management's expectations for the second half of the year. The jet engine maker now expects adjusted earnings per share to be \$5.60 to \$5.80 this year, up from prior guidance of \$5.10 to \$5.45.

Shares fell 5.6% to \$260.59.

GE Aerospace on Thursday posted a profit of \$2.03 bil-

### GE Aerospace quarterly revenue



\*Change from a year earlier

Sources: S&P Capital IQ; the company

lion, or \$1.89 a share, in the quarter ended June 30, compared with \$1.27 billion, or \$1.15 a share, a year earlier.

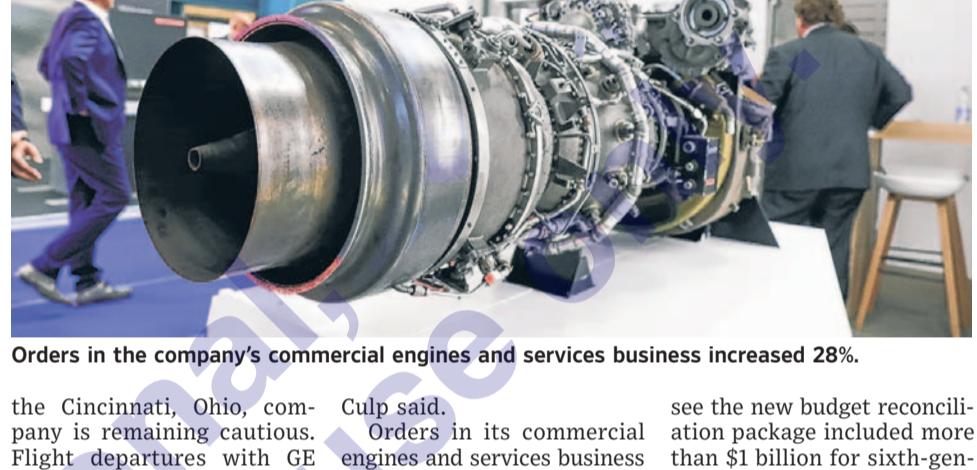
Earnings from continuing operations were \$1.87 a share.

Stripping out certain one-time items, adjusted per-share earnings were \$1.66, ahead of the \$1.43 forecast by analysts, according to FactSet.

Revenue rose 21% to \$11.02 billion. Analysts surveyed by FactSet had forecast revenue of \$9.59 billion.

The results come as tariffs threaten to raise costs and dampen demand. GE said it expects a \$500 million cost in 2025 assuming reciprocal tariffs are implemented after the current pause. It aims to mitigate that expense using cost controls and price increases.

So far, tariffs' impact on demand hasn't been too harmful to GE Aerospace, but



Orders in the company's commercial engines and services business increased 28%.

the Cincinnati, Ohio, company is remaining cautious.

Flight departures with GE Aerospace's engines rose 4% in the second quarter, in line with expectations. GE Aerospace is planning for a low-single-digit percent increase in departures during the rest of the year, which it called a more conservative view.

"Given macroeconomic dynamics, we're watching demand near-term this quarter," Chief Executive Larry Culp said.

Culp said.

Orders in its commercial engines and services business increased 28%.

GE Aerospace also increased its three-year projections for adjusted revenue growth and operating profit,

and set an adjusted earnings target of \$8.40 a share in 2028.

"So far in '25, we're off to an excellent start," Culp said.

## Novartis Plans Buyback, Boosts Full-Year Guidance

BY ADRIÀ CALATAYUD

**Novartis** launched a share buyback of up to \$10 billion and raised its full-year profit guidance after continued demand for key drugs fueled growth in second-quarter sales and earnings.

The Swiss pharmaceutical company is bracing for the patent expiration—and the arrival of generic competitors—for its heart drug Entresto, the group's best-selling medicine, at a time investors are worried about President Trump's plans to lower what Americans pay for prescription drugs and his threat to slap a 200% tariff on foreign-made medicines.

Novartis Chief Executive Vas Narasimhan on Thursday told analysts that the company had productive talks

with the Trump administration and that it supports efforts to get developed markets outside the U.S. to pay more for innovative medicines.

The company said strong performances from recently launched drugs such as Plavix for prostate cancer and Scemblix for leukemia and a new indication for breast

cancer treatment Kisqali show the potential the company has within its portfolio to replace drugs that lose patent protection.

A new buyback of up to \$10 billion, which runs until 2027, reflects company's confidence in its growth prospects over the medium to long term and its robust balance sheet, Narasimhan said.

The company, which earlier this year promised to spend \$23 billion over the

next five years to expand its footprint in the U.S., recently completed a \$15 billion repurchase program that began in 2023.

Novartis also nudged up its annual profit guidance for the second time this year, but reiterated its sales expectations. It now projects core operating profit—its preferred metric, which strips out exceptional and other one-off items—to grow by a low-teens percentage this year when excluding currency movements, having previously forecast an increase by low double digits.

The company still expects full-year sales growth in the high-single-digit range at constant currency.

Novartis said its forecasts continue to assume Entresto will face competition from generic drugs in mid-2025, though the timing of generic entry is subject to intellectual-property and regulatory litigation.

While Novartis has exceeded expectations and raised guidance for a number

of quarters, it wasn't expected to lift its forecasts this time around in light of the generic entry in the U.S. for Entresto, Vontobel analyst Stefan Schneider wrote in a note to customers.

For the second quarter, Entresto sales climbed 22% at constant currency to \$2.36 billion, contributing to an 11% increase for the group as a

whole to \$14.05 billion. Novartis cited Kisqali and Entresto, as well as Scemblix, multiple-sclerosis treatment Kesimpta and cholesterol drug Leqvio, among its key growth drivers in the quarter.

Novartis made a quarterly net profit of \$4 billion compared with \$3.25 billion for the year-earlier period. Core operating profit came to \$5.925 billion, up 21% at constant currency.

Analysts had forecast sales of \$14.17 billion and core operating profit of \$5.75 billion, according to consensus estimates provided by Visible Alpha.

Novartis separately said longtime financial chief Harry Kirsch would retire in March of next year and be replaced by Mukul Mehta, its head of business planning and analysis, digital finance and tax. Kirsch will retire after a 22-year career at Novartis, including 12 years as CFO, it said.

U.S.-listed shares of Novartis slid 3.3% to \$114.52 in Thursday's trading.

**\$10B**  
Amount of its stock Novartis plans to repurchase in buyback plan



CEO Vas Narasimhan cited a robust balance sheet.

## Abbott's Shares Skid 8.5% On Lower Forecast

BY DEAN SEAL

**Abbott Laboratories** narrowed its guidance for the year while reporting strong profit and sales gains in the second quarter.

The healthcare-products maker said it now expects adjusted earnings of \$5.10 to \$5.20 a share this year, narrowed from its previous outlook for \$5.05 to \$5.25 a share. Full-year organic sales are expected to rise 6% to 7%, down from a prior target of 7.5% to 8.5%.

Shares slid 8.5% to \$120.51 in Thursday's trading.

Abbott posted a second-quarter profit of \$1.78 billion, or \$1.01 a share, compared with \$1.3 billion, or 74 cents a share, in the same quarter a year earlier.

Stripping out one-time items, adjusted earnings were \$1.26 a share. Analysts surveyed by FactSet had been projecting \$1.25 a share.

Sales rose 7.4% to \$11.14 billion, ahead of analyst estimates for \$11.06 billion, according to FactSet.

The maker of Pedialyte said pediatric nutrition sales were down slightly, with growth in the U.S. offset by a decline overseas amid foreign exchange shifts, while adult nutrition sales were up 6.1% from international gains.

Worldwide medical device sales were up 13% led by its diabetes care, heart failure, structural heart and electrophysiology categories.

Sales in Abbott's global diagnostics division were down 1%, but up about 1% when excluding Covid-19 testing-related sales.

## Publicis Raises Outlook After Account Wins Propel Growth

BY ADRIÀ CALATAYUD

**Publicis Groupe** raised its full-year forecast for organic growth after a string of major account wins helped the French advertising group ride out tariff concerns to beat analysts' expectations for the second quarter.

The Paris-based company said Thursday that organic net revenue growth for the June quarter came in at 5.9%. This topped analysts' forecasts of 4.6%, according to a company-compiled consensus.

For 2025 as a whole, the company raised its organic growth guidance to close to 5%, up from a previous range of 4% to 5%. Organic growth measures the change in net

revenue excluding the effects of acquisitions, asset sales and currency fluctuations.

Some ad firms have sounded the alarm over the chilling effect of President Trump's tariffs on spending plans by marketers. Publicis' U.K. rival **WPP** cut its annual guidance last week, saying it expects uncertainty to weigh on client spending and new business, while U.S. peer **Omnicon Group** gave a more cautious outlook in April.

Publicis—home to agencies such as Leo and Saatchi & Saatchi—said its updated outlook factors in anticipated cuts in client spending in the second half, a negative performance at its Publicis Sapient consulting unit for the year as

a whole and a hit from year-end budget adjustments.

The company said it was navigating a tough economic environment, but that a better-than-anticipated performance and recent account wins allowed it to lift its full-year expectations.

Publicis emerged from the coronavirus pandemic on a strong footing and became the world's largest ad group by market value and net sales, pending completion of Omnicom's proposed acquisition of Interpublic Group. It

has been taking market share from rivals, winning assignments from companies including Mars, Nespresso and Lego in recent months.

Analysts at JPMorgan estimated in a note ahead of the results that Publicis bagged an estimated \$3.3 billion of gross new business in the second quarter compared with about \$500 million for its major rivals combined.

Its multiple services and increasingly embedded data meant it was also able to make clients stick, losing as

signments valued at \$115 million compared with the aggregate of \$3.1 billion lost by major rivals, according to JP Morgan.

The streak of account wins helped Publicis accelerate its organic growth in the second quarter from the growth rate of 4.9% it logged for the January-March period.

The company said it delivered a strong performance across all regions, with organic growth of 5.3% in the U.S., 5.2% in China and 4.6% in Europe.

For the first half, Publicis made a net profit of €824 million, or \$959.3 million, up from €773 million in the year-earlier period, on revenue that climbed 11% to €8.48 billion.

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## COMMERCIAL REAL ESTATE

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The Sale will take place on September 4, 2025 at 3:00 p.m. Eastern Time in compliance with New York Uniform Commercial Code Section 9-610 both (i) in person in front of the New York Supreme Court located at 60 Centre St., New York, NY 10007 and (ii) virtually via online video conference. The URL address and password for the online video conference will be provided to registered participants.

The Sale is being made in connection with the foreclosure on a pledge of the Collateral to the Secured Party by Mezzanine Borrower under the Pledge Agreement, pursuant to which Mezzanine Borrower has granted to Secured Party a first priority lien on the Collateral as collateral for the loan in the original principal amount of \$7,750,000.00 ("Mezzanine Loan") from Secured Party to Mezzanine Borrower. The Mezzanine Loan was made pursuant to that certain Mezzanine Loan Agreement, dated June 29, 2022, by and between Mezzanine Borrower and Secured Party ("Mezzanine Loan Agreement").

Based upon information provided by the Mezzanine Borrower and its affiliates, it is the understanding of Secured Party (but without representation or warranty of any kind by Secured Party as to the accuracy of the following) that: (i) the Mezzanine Loan is in default, (ii) the Mezzanine Borrower owns the Interests, (iii) the Interests constitute the principal asset of the Mezzanine Borrower, (iv) the Pledged Entity owns certain real property located at 460 North Broad Street, Philadelphia, PA ("Property"), (v) the principal assets of the Pledged Entity are the Property and certain related rights, and (vi) the Property is encumbered by a mortgage lien granted by the Pledged Entity as security for a mortgage loan ("Mortgage Loan") made pursuant to that certain Loan Agreement, dated June 30, 2021 by and between the holder of the Mortgage Loan and the Pledged Entity ("Mortgage Loan Agreement").

An online datasite for the Sale ("Datasite") available at <https://irmarketplace.com/listing/98885/philaefc-multifamily-ucc-pforeclosure-sale> contains certain relevant information that Secured Party possesses concerning the Mezzanine Borrower, the Pledged Entity, the Property, the Mezzanine Loan, and the Mortgage (collectively, "Disclosed Materials") as well as the Terms of Sale for Public Auction relating to the Sale of the Collateral ("Terms of Sale"). Access to such information will be conditioned upon execution of a confidentiality agreement which can be found on the Datasite. To participate in the auction, prospective bidders must confirm their ability to satisfy the Requirements in the manner described in the Terms of Sale, and following such confirmation, such qualified participants will be provided a URL and password enabling access to the video conference for the Sale. No information provided, whether in the Datasite or otherwise, shall constitute a representation or warranty of any kind with respect to such information, the Collateral or the Sale. Participants are encouraged to review all Disclosed Materials and perform such due diligence as they deem necessary in advance of the Sale.

The Interests will be offered in a single lot. The Interests are being sold strictly on an "AS IS AND WHERE IS" BASIS, AND, (i) WITHOUT ANY REPRESENTATIONS OR WARRANTIES (WHETHER EXPRESSED OR IMPLIED) OF ANY KIND MADE BY THE SECURED PARTY (OR ANY OTHER PERSON ACTING FOR OR ON BEHALF OF THE SECURED PARTY), INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO THE EXISTENCE OR NONEXISTENCE OF OTHER LIENS, THE QUANTITY, QUALITY, CONDITION OR DESCRIPTION OF THE INTERESTS, THE PROPERTY, AND/OR THE VALUE OF ANY OF THE FOREGOING, AND (ii) WITHOUT ANY REOURSE WHATSOEVER AGAINST THE SECURED PARTY (OR ANY OTHER PERSON ACTING FOR OR ON BEHALF OF THE SECURED PARTY). Without limiting the foregoing, any purchaser must purchase the Interests subject to the governing documents of the Pledged Entity (including its partnership agreement).

There are specific requirements for any potential bidder in connection with obtaining information, bidding on the Collateral and purchasing the Collateral (collectively, the "Requirements"), including without limitation complying with: (i) the Mezzanine Loan Documents, the Mortgage Loan Agreement and other loan documents executed in connection with the Mortgage Loan, and the Intercreditor and Subordination Agreement by and between Mortgage Lender and Secured Party dated June 29, 2022 (the "Intercreditor Agreement"), including without limitation in each case any requirements contained therein for a sale and transfer of the Collateral, (ii) the Pledged Entity's governing documents, and (iii) the Terms of Sale.

The Requirements also include, without limitation, that each bidder must be a "Permitted Transferee" as that term is defined in the Intercreditor Agreement. Meeting any requirements of the Intercreditor Agreement shall be at the sole risk, cost and expense of each prospective bidder. Prospective bidders are advised that the failure to meet such requirements may result in a default under the Intercreditor Agreement and/or the inability of a successful bidder to purchase the Interests. The Secured Party reserves the right to require a showing of financial ability from prospective bidders prior to the date of the Sale. If a prospective bidder is a special purpose entity or an entity with creditworthiness that is, in the Secured Party's reasonable judgment, insufficient to support the requirements herein, the Secured Party reserves the right to require additional credit support in the form of a guaranty by a creditworthy affiliate of such prospective bidder or other appropriate credit support.

The Collateral includes unregistered securities under the Securities Act of 1933, as amended ("Securities Act"), and Secured Party reserves the right to restrict participation in the Sale to prospective bidders that represent that the Collateral will not be sold, assigned, pledged, disposed of, hypothecated or otherwise transferred without the prior registration in accordance with the Securities Act and the securities laws of all other applicable jurisdictions, unless an exemption from such registration is available.

Secured Party may, prior to the Sale described herein, assign all of its right, title and interest in and to the Mezzanine Loan to an affiliate, and in the case of such assignment, the assignee shall be considered the "Secured Party" for all purposes hereunder. Secured Party reserves the right to credit bid, set a minimum reserve price, reject all bids and terminate the sale to another time, without further notice. All bids (other than credit bids of Secured Party) must be paid with cash with no financing conditions and the successful bidder must deliver immediately available good funds (i) for the Required Deposit (as defined in the Terms of Sale) on the date of the Sale and (ii) for the balance of the purchase price for the Collateral on the closing date prescribed by the Terms of Sale. The winning bidder must pay all relevant taxes, recording fees, stamp duties and similar taxes as may be required to be paid under applicable law in connection with the purchase of the Collateral.

Questions may be directed to John Daniels at (312) 224-3260 or [John.Daniels@nprm.com](mailto:John.Daniels@nprm.com).

## BANKRUPTCIES

Information to identify the case:

Debtors: Genesis Healthcare, Inc., et al. EN: 20-3934755

United States Bankruptcy Court for the Northern District of Texas (Dallas Division)

Date case filed for chapter 11: July 9, 2025

Cases under: Case 20-25185 (SGJ), Jointly Administered

Official Form 309(f) (For Corporations or Partnerships)

**Notice of Chapter 11 Bankruptcy Case** 12/17

For the debtor listed above and certain of its affiliates and subsidiaries, a full list of which is available on the Debtors restructuring website at <https://dm.epiq11.com/Genesis>, cases have been filed under chapter 11 of the Bankruptcy Code. An order for relief has entered for each Debtor. This notice has important information about the cases for creditors, debtors, and trustees, including information about the meeting of creditors and deadlines. Read all pages carefully.

The filing of this case imposes an automatic stay against most collection activities. This means that creditors generally may not take action to collect debts from the Debtor or the Debtor's property. For example, while the stay is in effect, creditors cannot assert a deficiency, repossess property, or otherwise try to collect from the Debtor. Creditors cannot demand repayment from the debtor by mail, phone, or otherwise. Creditors who violate the stay can be required to pay actual and punitive damages and attorney's fees.

Confirmation of a chapter 11 plan may result in a discharge of debt. A creditor who wants to have a particular debt excepted from discharge may be required to file a complaint in the bankruptcy court. Within the deadline specified in this notice (See line 10 below for more information.)

To protect your rights, consult an attorney. All documents filed in the case may be reviewed on the website created by the Debtor's Claims and Noticing Agent, Epiq Corporate Restructuring, LLC ("Epiq"). Website at <https://dm.epiq11.com/Genesis> or the bankruptcy clerk's office at the address listed below or through PACER (Public Access to Court Electronic Records) at <https://pacerscourts.gov/>.

Inquiries regarding this notice may be directed to Epiq by calling (888) 861-3979 (toll free for U.S. and Canadian-based parties) or +1 (971) 306-9937 (for international parties) or sending an email to [GenesHCInfo@epiqglobal.com](mailto:GenesHCInfo@epiqglobal.com).

Debtors' counsel, representatives of Epiq, and the staff of the bankruptcy clerk's office cannot give legal advice.

Do not file this notice with any proof of claim or other filing in the case.

1. Lead Debtor Name, All Other Names Used in Last 8 Years, Case Number, Tax I.D. Numbers: Genesis Healthcare, Inc./N/A-20-28185 (SGJ), 20-3934755

2. Other Debtor Names & Case Numbers: A full listing of the Debtor's names, tax I.D. numbers, and corresponding case numbers are available on the Debtor's restructuring website: <https://dm.epiq11.com/Genesis>.

3. Address: 101 East State Street, Kennett Square, PA 19348

4. Debtors' Claims and Noticing Agent: Use the below for access to court documents and case information inquiries:

Name: Epiq Corporate Restructuring, LLC ("Epiq"). Website: <https://dm.epiq11.com/Genesis>. Email for inquiries: [GenesHCInfo@epiqglobal.com](mailto:GenesHCInfo@epiqglobal.com); Telephone: (888) 861-3979 (toll free for U.S. and Canadian-based parties) +1 (971) 306-9937 (for international parties)

5. Other: None

6. Address of Attorney (Proposed): McDermott Will & Emery LLP, Marcus A. Holt (TX 2405287), Jack L. Hooke (TX 2417704), Grayson Williams (TX 24124561), 2801 N. Harwood Street, Suite 2600, Dallas, Texas 75201-1574, Telephone: (214) 295-8000, Email: [mholt@mwe.com](mailto:mholt@mwe.com), [jlhooke@mwe.com](mailto:jlhooke@mwe.com) and - McDermott Will & Emery LLP, Daniel M. Simon (admitted pro hac vice), Emily C. Keil (admitted pro hac vice), William A. Guenier (admitted pro hac vice), 444 West Lake Street, Suite 4000, Chicago, IL 60605, Telephone:

(312) 372-2000, Email: [dsimon@mwe.com](mailto:dsimon@mwe.com), [ekel@mwe.com](mailto:ekel@mwe.com)

7. Clerk's Office: Clerk of the United States Bankruptcy Court, Carlisle Federal Building, 1100 Commerce St, Room 1254, Dallas, TX 75242-1496. Hours open: Monday – Friday 8:30 AM – 4:30 PM. Phone: 214-553-2000. Website: <https://www.txrb.uscourts.gov/>

You may inspect all records filed in this case at this office or online at <https://pacer.uscourts.gov/> or at the Debtor's restructuring website at <https://dm.epiq11.com/Genesis>.

8. Meeting of Creditors: Date: Monday, August 18, 2025 at 2:00 p.m. (CT). The meeting will be held via telephone conference. Toll free number: (866) 818 - 4670 - Alternate number: (203) 480 - 2179. Participant passcode: 3304120.

The meeting may be continued or adjourned to a later date if so ordered by the court. The Debtor's representatives must attend the meeting to be questioned under oath. **Creditors may attend but are not required to do so.** Information can be found on the Debtor's restructuring website at <https://dm.epiq11.com/Genesis>.

9. Proof of Claim Deadline: Deadline for Filing Proof of Claim: Not yet set. If a deadline is set, the court will send you another notice. A proof of claim is a signed statement describing a creditor's claim. A proof of claim form may be obtained at [www.uscourts.gov](https://www.uscourts.gov/) or any bankruptcy clerk's office, or on the case website at <https://dm.epiq11.com/Genesis>. Your claim will be allowed in the amount scheduled unless: you claim is designated as disputed, contingent, or undischarged; you file a proof of claim in a different amount; or you receive another notice. If your claim is not scheduled or if your claim is designated as disputed, contingent, or undischarged, you must file a proof of claim or your claim may not be paid on your claim and you might be unable to vote on your plan. You may file a proof of claim even if your claim is designated as disputed, contingent, or undischarged unless: you claim is designated as disputed, contingent, or undischarged; you file a proof of claim in a different amount; or you receive another notice. If your claim is not scheduled or if your claim is designated as disputed, contingent, or undischarged, you must file a proof of claim or your claim may not be paid on your claim and you might be unable to vote on your plan. Please review the schedules at the bankruptcy clerk's office or online at [www.pacer.gov](https://www.pacer.gov) or at the Debtor's restructuring website at <https://dm.epiq11.com/Genesis>. Secured creditors retain rights in their collateral regardless of whether they file a proof of claim. Filing a proof of claim submits a creditor to the jurisdiction of the bankruptcy court, with consequences a buyer can expect. For example, a secured creditor who files a proof of claim may surrender important nonmonetary rights, including the right to jury trial.

10. Creditors with a Foreign Address: If you are a creditor receiving notice mailed to a foreign address, you may file a motion asking the court to mail the notice to your address. This notice is a plan and a confirmation hearing. Unless a trustee is serving, the Debtor's will remain in possession of the Debtor's property and may continue to operate any business.

11. Discharge of Debts: Confirmation of a chapter 11 plan may result in a discharge of debts, which may include all or part of your original debt. See Bankruptcy Code § 1141(d). A discharge means that you may never try to collect the debt from the debtor except as provided in the plan. If Bankruptcy Code section 523(d) applies to your claim and you seek to have it excepted from discharge, you must start a judicial proceeding by filing a complaint by the deadline imposed by Federal Rule of Bankruptcy Procedure 4007(c). The deadline imposed by the rule is the earlier of the date the case is confirmed or the date the plan is filed.

If you have any questions related to this notice, please call (888) 861-3979 (toll free for U.S. and Canadian-based parties) or +1 (971) 306-9937 (for international parties) or email [GenesHCInfo@epiqglobal.com](mailto:GenesHCInfo@epiqglobal.com).

12. Creditors' Committee: None

13. Creditors' Committee Chairperson: None

14. Creditors' Committee Counsel: None

15. Creditors' Committee Address: None

16. Creditors' Committee Telephone: None

17. Creditors' Committee Email: None

18. Creditors' Committee Fax: None

19. Creditors' Committee Web Address: None

20. Creditors' Committee Mailing Address: None

21. Creditors' Committee Mailing Zip Code: None

22. Creditors' Committee Mailing City: None

23. Creditors' Committee Mailing State: None

24. Creditors' Committee Mailing Country: None

25. Creditors' Committee Mailing Post Office: None

26. Creditors' Committee Mailing PO Box: None

27. Creditors' Committee Mailing Street: None

28. Creditors' Committee Mailing Apartment: None

29. Creditors' Committee Mailing City: None

30. Creditors' Committee Mailing State: None

31. Creditors' Committee Mailing Country: None

32. Creditors' Committee Mailing Post Office: None

33. Creditors' Committee Mailing PO Box: None

34. Creditors' Committee Mailing Street: None

35. Creditors' Committee Mailing Apartment: None

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47. Creditors' Committee Mailing PO Box: None

48. Creditors' Committee Mailing Street: None

49. Creditors' Committee Mailing Apartment: None

50. Creditors' Committee Mailing City: None

51. Creditors' Committee Mailing State: None

52. Creditors' Committee Mailing Country:

DOW JONES  
RISK &  
COMPLIANCE

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Dow Jones Integrity Check goes well beyond simple screening and identifies risks from thousands of data sources. Harnessing AI from technology firm Xapien, Dow Jones Integrity Check extracts and summarizes vast volumes of information into intuitive reports that are easy to digest.

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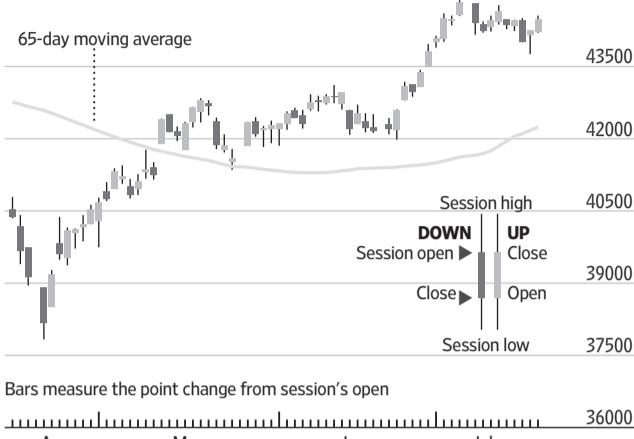
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## MARKETS DIGEST

## EQUITIES

## Dow Jones Industrial Average

**44484.49** ▲ 229.71, or 0.52%  
 Last: 24.71 Year ago: 27.48  
 High, low, open and close for each trading day of the past three months.  
 Trailing P/E ratio: 21.57 P/E estimate: 19.46  
 Dividend yield: 1.63 2.09  
 All-time high: 45014.04, 12/04/24



Bars measure the point change from session's open

Current divisor 0.16268413125742  
 45000  
 65-day moving average  
 43500  
 Session high  
 40500  
 DOWN UP  
 Session open Close  
 Open  
 Session low  
 37500  
 39000  
 36000

Apr. May June July

\*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; Based on Nasdaq-100 Index

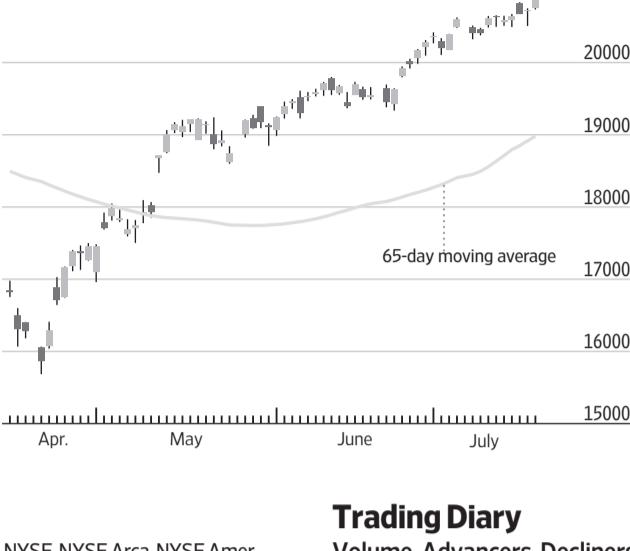
## S&amp;P 500 Index

**6297.36** ▲ 33.66, or 0.54%  
 Last: 24.69 Year ago: 24.37  
 High, low, open and close for each trading day of the past three months.  
 Trailing P/E ratio: 23.72 P/E estimate: 22.72  
 Dividend yield: 1.23 1.30  
 All-time high: 6297.36, 07/17/25



## Nasdaq Composite Index

**20885.65** ▲ 155.16, or 0.75%  
 Last: 32.72 Year ago: 29.64  
 High, low, open and close for each trading day of the past three months.  
 Trailing P/E ratio: 29.59 P/E estimate: 29.64  
 Dividend yield: 0.67 0.77  
 All-time high: 20885.65, 07/17/25



## Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week		YTD % chg	3-yr. ann.
						High	Low		
Dow Jones	44558.05	44200.04	<b>44484.49</b>	229.71	0.52	45014.04	37645.59	9.4	4.6 <b>12.4</b>
Industrial Average	15972.59	15838.30	<b>15972.59</b>	152.25	0.96	17754.38	12637.04	1.2	0.5 <b>6.5</b>
Transportation Avg	1056.63	1051.01	<b>1056.63</b>	2.11	0.20	1079.88	950.85	11.1	7.5 <b>3.1</b>
Utility Average	62328.37	61946.50	<b>62328.37</b>	379.77	0.61	62328.37	49067.76	13.5	6.7 <b>17.2</b>
Total Stock Market	1340.48	1327.37	<b>1340.08</b>	14.12	1.06	1356.99	1058.38	13.0	7.0 <b>15.2</b>
Barron's 400	20885.65	20735.55	<b>20885.65</b>	155.16	0.75	20885.65	15267.91	16.9	8.2 <b>22.2</b>
Nasdaq Composite	23104.72	22905.51	<b>23081.05</b>	173.08	0.76	23081.05	17090.40	17.1	9.8 <b>24.4</b>
Nasdaq-100	6297.36	6262.27	<b>6297.36</b>	33.66	0.54	6297.36	4982.77	13.6	7.1 <b>17.7</b>
S&P 500 Index	3180.23	3139.46	<b>3173.36</b>	33.69	1.07	3390.26	2560.93	4.5	1.7 <b>11.3</b>
MidCap 400	1380.25	1359.75	<b>1375.71</b>	15.52	1.14	1544.66	1106.12	-1.0	-2.3 <b>6.6</b>
SmallCap 600	17.37	16.48	<b>16.52</b>	-0.64	-3.73	52.33	12.77	3.7	-4.8 <b>-12.0</b>

\$ Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

## Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

## Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
Trade Desk Cl A	TTD	45,597.7	80.75	-0.69	<b>-0.85</b>	81.44	80.33
Schlumberger	SLB	28,532.8	34.71	0.04	<b>0.12</b>	34.90	34.45
iShares Russell 2000 ETF	IWM	6,528.7	223.91	-0.01	<b>unch.</b>	224.02	223.60
SPDR S&P 500 ETF Trust	SPY	6,314.5	627.97	-0.08	<b>-0.01</b>	628.33	627.61
Vanguard FTSE All-WdX US VEU	VWDX	6,220.4	67.33	0.01	<b>0.01</b>	67.59	66.72
Blaze Holdings	BZAI	5,595.7	4.62	1.59	<b>52.48</b>	4.88	3.03
Lucid Group	LCID	5,251.9	3.09	-0.03	<b>-0.96</b>	3.13	3.06
FTGI Tactical Commodity	FTGC	5,106.0	25.38	...	<b>unch.</b>	25.38	25.38

## Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
Blaze Holdings	BZAI	5,595.7	4.62	1.59	<b>52.48</b>	4.88	3.03
Talen Energy	TLN	324.7	306.11	42.11	<b>15.95</b>	310.00	261.63
Teucrion 2x Long Dly XRP	XXRP	474.5	62.35	6.35	<b>11.34</b>	63.53	55.45
Volatility Shr Tr XRP 2X	XRPT	208.8	28.30	2.72	<b>10.63</b>	28.80	24.86
Galaxy Digital	GLXY	676.9	28.65	2.61	<b>10.02</b>	30.75	25.60

## ...And losers

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
BlackSky Technology	BKSY	973.1	22.17	-6.12	<b>-21.63</b>	28.71	19.50
Above Food Ingredients	ABVE	2,472.5	3.12	-0.28	<b>-8.24</b>	3.58	3.10
Tanger	SKT	264.2	30.40	-1.42	<b>-4.46</b>	32.51	30.37
Direxion Dly NFLX Bull 2X	NFLX	227.9	63.50	-2.90	<b>-4.37</b>	69.50	62.00
Palladine AI	PDYN	319.6	12.15	-0.53	<b>-4.18</b>	12.98	11.87

## Trading Diary

Volume, Advancers, Decliners  
 NYSE NYSE Amer.

Total volume*	1,195,896,199	30,275,396
Adv. volume*	831,331,211	13,756,946
Decl. volume*	346,804,962	16,277,524
Issues traded	2,837	295
Advances	1,873	150
Declines	894	133
Unchanged	70	12
New highs	108	10
New lows	20	2
Closing Arms*	0.86	1.11
Block trades*	6,411	293

Nasdaq NYSE Arca

Total volume\* 9,994,555,931 293,762,865

Adv. volume\* 7,380,690,186 211,307,500

Decl. volume\* 2,451,787,226 79,966,375

Issues traded 4,680 2,316

Advances 3,152 1,802

Declines 1,386 469

Unchanged 142 45

New highs 248 312

New lows 50 31

Closing Arms\* 0.76 2.14

Block trades\* 81,033 1,507

\* Primary market NYSE, NYSE American NYSE Arca only.

† (TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low

<tbl\_r

## COMMODITIES

[wsj.com/market-data/commodities](http://wsj.com/market-data/commodities)

## Futures Contracts

## Metal &amp; Petroleum Futures

	Contract		Open	High	Low	Settle	Chg	Open interest
	Open	High	hi	lo	Low	Settle	Chg	interest
<b>Copper-High (CME)</b> -25,000 lbs.; \$ per lb.								
July	5.4680	5.4905	5.4570	5.4860	-0.0105	3,035		
Sept	5.5175	5.5595	5.4740	5.5125	-0.0135	106,694		
<b>Gold (CMX)</b> -100 troy oz.; \$ per troy oz.								
July	3313.80	3340.80	3313.80	3340.10	-12.40	337		
Aug	3354.70	3358.20	3314.30	3345.30	-13.80	226,886		
Sept	3367.60	3367.60	3329.80	3360.00	-13.70	1,592		
Oct	3382.90	3385.00	3342.00	3373.10	-13.80	34,675		
Nov	3374.40	3380.00	3359.80	3388.20	-13.90	365		
Dec	3409.00	3412.90	3370.40	3401.30	-13.90	168,318		
<b>Palladium (NYM)</b> -50 troy oz.; \$ per troy oz.								
July	1282.50	1300.00	1282.50	1291.00	13.00			
Sept	1292.00	1320.00	1252.50	1301.60	12.90	18,512		
<b>Platinum (NYM)</b> -50 troy oz.; \$ per troy oz.								
July	1422.30	1471.90	1415.30	1454.40	37.30	257		
Oct	1437.40	1495.60	1425.30	1472.10	37.10	78,574		
<b>Silver (CMX)</b> -5,000 troy oz.; \$ per troy oz.								
July	37.840	38.195	37.840	38.056	0.203	327		
Sept	38.145	38.460	37.685	38.303	0.184	128,633		
<b>Crude Oil, Light Sweet (NYM)</b> -1,000 bbls.; \$ per bbl.								
Aug	66.60	67.69	66.29	67.54	1.16	142,202		
Sept	65.36	66.36	65.02	66.23	1.04	352,772		
Oct	64.29	65.27	64.00	65.15	0.96	223,436		
Nov	63.62	64.55	63.33	64.43	0.90	126,790		
Dec	63.19	64.08	62.92	63.94	0.85	246,293		
Dec'26	62.55	63.10	62.33	63.03	0.58	146,981		
<b>NY Harbor USD (NYM)</b> -42,000 gal.; \$ per gal.								
Aug	2.3916	2.4708	2.3847	2.4646	-.0731	56,198		
Sept	2.3667	2.4404	2.3622	2.4347	-.0675	99,097		
<b>Gasoline-NY RBOB (NYM)</b> -42,000 gal.; \$ per gal.								
Aug	2.1472	2.1731	2.1433	2.1704	.0264	72,743		
Sept	2.1039	2.1320	2.1023	2.1291	-.0277	119,231		
<b>Natural Gas (NYM)</b> -10,000 MMBtu's; \$ per MMBtu.								
Aug	3.557	3.629	3.511	3.542	-.009	101,824		
Sept	3.589	3.654	3.546	3.577	-.008	226,196		
Oct	3.705	3.763	3.660	3.690	-.015	153,280		
Nov	4.090	4.122	4.017	4.048	-.040	122,630		
Jan'26	4.967	4.995	4.885	4.921	-.056	150,285		
March	4.186	4.209	4.119	4.154	-.038	117,538		

## Agriculture Futures

	Contract		Open	High	Low	Settle	Chg	Open interest
	Open	High	hi	lo	Low	Settle	Chg	interest
<b>Corn (CBT)</b> -5,000 bu.; cents per bu.								
Sept	405.00	407.00	400.25	402.00	-3.25	550,700		
Dec	423.50	425.75	419.50	421.00	-3.00	606,235		
<b>Oats (CBT)</b> -5,000 bu.; cents per bu.								
Sept	375.50	375.50	367.00	367.25	-5.00	811		
Dec	368.25	369.25	361.50	362.50	-5.75	2,478		
<b>Soybeans (CBT)</b> -5,000 bu.; cents per bu.								
Aug	1012.50	1022.50	1009.50	1021.50	8.00	100,436		
Nov	1019.25	1029.00	1016.00	1026.50	6.00	425,665		
<b>Soybean Meal (CBT)</b> -100 tons; \$ per ton.								
Aug	268.30	269.50	266.30	268.70	.30	89,208		

Cash Prices | [wsj.com/market-data/commodities](http://wsj.com/market-data/commodities)

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

## Thursday

## Energy

	Contract		Open	High	Low	Settle	Chg	Open interest
	Open	High	hi	lo	Low	Settle	Chg	interest
<b>Coal, CapCo, 1,250,000Btu, 1,2S02-r, w</b>	79,000							
Coal, PwdrRvrBsn, 880,000Btu, 0.8S02-r, w	14,300							

## Metals

	Contract		Open	High	Low	Settle	Chg	Open interest
	Open	High	hi	lo	Low	Settle	Chg	interest
<b>Gold, per troy oz.</b>	3320.00							
Engelhard industrial								
LBMA Gold Price AM	*3339.40							
LBMA Gold Price PM	*3323.80							
Krugerrand/wholesale-e	3486.25							
Maple Leaf-e	3569.65							
American Eagle-e	3569.65							
Mexican peso-e	4303.93							
Austria crown-e	3273.06							
Austria phil-e	3502.93							
<b>Silver, troy oz.</b>	37.8500							
Engelhard industrial								
LBMA Gold Price AM	*3339.40							
LBMA Gold Price PM	*3323.80							
Krugerrand/wholesale-e	3486.25							
Maple Leaf-e	3569.65							
American Eagle-e	3569.65							
Mexican peso-e	4303.93							
Austria crown-e	3273.06							
Austria phil-e	3502.93							

## Other metals

	Contract		Open	High	Low	Settle	Chg	Open interest
	Open	High	hi	lo	Low	Settle	Chg	interest

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## BIGGEST 1,000 STOCKS

## How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are consolidated from trades reported by various market centers, including securities exchanges, FINRA, electronic communications networks and other broker-dealers. The list comprises the 1,000 largest companies based on market capitalization.

**Underlined quotations** are those stocks with large changes in volume compared with the issue's average trading volume.

**Boldfaced quotations** highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

**Footnotes:** i-New 52-week high; 1-New 52-week low; dd—Indicates loss in the most recent four quarters.

**Stock tables reflect composite regular trading as of 4 p.m. ET and changes in the official closing prices from 4 p.m. ET the previous day.**

Thursday, July 17, 2025

Net Stock Sym Close Chg Stock Sym Close Chg Net Stock Sym Close Chg Stock Sym Close Chg

A B C

AECOM ACM 114.00 0.82 BHP Group BHP 51.69 0.52 CharterComms CHTR 383.56 3.94 ASUR ASR 314.82 2.49 LasVegasSands LVS 48.93 -0.19

AES AES 13.19 0.17 BJS'sWholesale BJ 105.18 1.11 CheckPoint CHIP 217.47 -0.60 LDOs LDOS 162.71 1.67 Nucor NUE 140.75 2.96

Aflac AFL 101.42 -0.02 BWP BP 32.09 0.17 CheniereEnergy LNG 231.67 1.78 Nutanix NTNX 74.84 1.29

AGNC Inv AGNC 9.28 0.01 BXR BX 69.03 -1.07 Guidewire GWRE 221.15 1.04 Leidos LENS 109.70 0.27 RossStores ROST 130.48 1.38

ASTEch AST 15.08 0.16 Baileys BDU 87.51 1.19 HCA Healthcare HCA 362.60 0.02 Nutrien NTR 58.32 -0.14 nVentElectric NVT 77.23 2.75 RoyalBankCanada RY 133.02 1.03

ASML ASML 744.91 -9.54 BBVA BBVA 148.93 0.48 Ecolab ECL 269.00 1.29 FirstEagle Funds FEF 17.00 0.00 StratOilCanada RYD 48.33 0.32

BAC BAC 191.40 0.82 BNP BNP 39.18 0.50 EchoStar SATS 28.93 -0.16 Fidelity SAIF 10.00 0.00 RoyalCaribbean RCL 348.51 9.28

Baldwin BLD 150.21 -1.13 BOKSB BX 103.00 0.14 Ecotropel EC 8.81 0.01 EdisonIntl EDIX 51.33 0.39 Hasbro HAS 71.19 1.72 RoyalPharma RPRX 35.47 -0.13

Ball BALL 58.07 -0.22 Chipotle CMG 53.54 0.16 HartFordin HFD 122.33 1.78 RoyalPharma RPRX 35.47 -0.13

BBVA BBVA 145.05 -0.05 Chubb CBU 275.46 -2.14 RoyalPharma RPRX 35.47 -0.13

BancoBradesco BBDO 2.53 0.02 ChubbWtL CHT 44.42 0.06 RoyalPharma RPRX 35.47 -0.13

BancodeChile BCH 28.45 0.25 Churh&Dwight CHD 97.03 0.72 RoyalPharma RPRX 35.47 -0.13

BancSanBrasil BSBR 5.12 0.12 Chevron CVX 151.38 1.46 RoyalPharma RPRX 35.47 -0.13

Bardu BDU 87.51 1.19 Chewy CHWY 38.06 0.10 RoyalPharma RPRX 35.47 -0.13

BarkerHughes BKR 39.18 0.50 ChimeFinl CHYM 31.51 -0.12 RoyalPharma RPRX 35.47 -0.13

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## MARKETS

# S&P 500, Nasdaq Set Records After Upbeat Earnings Reports

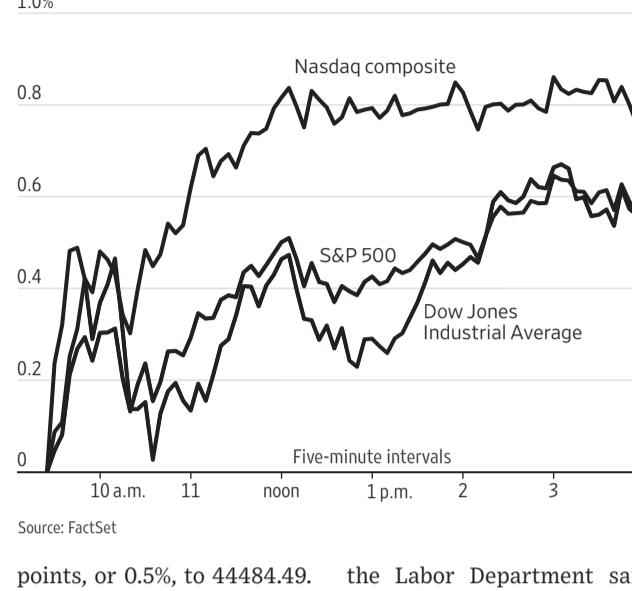
The S&P 500 and Nasdaq composite rose to records after upbeat earnings from some major companies lifted investors' optimism that profits can weather tariffs and shifting trade policy.

**PepsiCo** shares gained more than 7% after the company posted better-than-expected earnings. **United Airlines** added 3.1% after it predicted a stronger second half of the year. And **Taiwan Semiconductor Manufacturing** climbed 3.4% in the U.S. after the world's largest contract chip maker posted a record quarterly profit.

"These are all tariff-sensitive companies, and they've had all good earnings, good guidance," said Gina Bolvin, president of Bolvin Wealth Management Group. "You add it all up, and it's just good news for stocks."

The S&P 500 added 0.5% to close at its ninth record of the year, and the tech-heavy Nasdaq gained 0.7% to hit its fourth consecutive record, the longest such streak since November. The Dow Jones Industrial Average rose about 230

## Index performance on Thursday



points, or 0.5%, to 44484.49.

Investors also welcomed better-than-expected retail sales and weekly jobless claims on Thursday. Sales rose 0.6% in June, largely reversing a drop from May and suggesting that tariff-driven price increases and uncertainty aren't deterring shoppers.

The number of Americans who filed for unemployment benefits was down last week,

the Labor Department said Thursday. Filings fell to 221,000, fewer than the 234,000 claims that economists polled by The Wall Street Journal were anticipating.

The dollar extended its rebound after Wednesday's roller-coaster day, which included a series of reports about the possibility that Trump could attempt to fire

Federal Reserve Chair Jerome Powell.

Fed governor Adriana Kugler said Thursday morning that the Fed should hold interest rates steady, pointing to likely inflation stemming from new tariffs in the months ahead. That stance, which echoed Wednesday's comments by New York Fed President John Williams, runs contrary to Trump's push for rate cuts.

## AUCTION RESULTS

Here are the results of Thursday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

## FOUR-WEEK BILLS

Applications	\$262,307,080,800
Accepted bids	\$90,270,238,000
noncompetitively	\$5,875,099,800
foreign noncompetitively	\$0
Auction price (rate)	99.671000

(4.23%)

Coupon equivalent

Bids at clearing yield accepted

Cusip number

The bills, dated July 22, 2025, mature on Aug. 19, 2025.

## EIGHT-WEEK BILLS

Applications	\$208,141,372,500
Accepted bids	\$80,240,274,900
noncompetitively	\$1,852,129,700
foreign noncompetitively	\$0
Auction price (rate)	99.355778

(4.27%)

Coupon equivalent

Bids at clearing yield accepted

Cusip number

The bills, dated July 22, 2025, mature on Sept. 16, 2025.

## STOCK SPOTLIGHT

## TSMC

The world's largest contract chip maker delivered a record profit in the last quarter and said that it was speeding up its expansion in Arizona.

Its American depositary receipts rallied, closing up 3.4%.

## United Airlines

The carrier posted better-than-expected adjusted quarterly earnings, although its annual outlook disappointed. The stock climbed 3.1%.

## Elevance Health

The insurer slashed its 2025 profit projection, citing industrywide cost increases related to the Affordable Care Act and Medicaid. Elevance's shares dropped more than 12%, and other health-insurer stocks also fell.

## Sarepta Therapeutics

The gene-therapy company changed its executive team and said it will lay off about a third of its workforce. The restructuring is expected to save the company \$400 million a year. Shares jumped 20%.

## GE Aerospace

The aircraft-engine maker raised its annual earnings outlook after its quarterly sales and quarterly profit

both beat expectations. Its shares slipped 2.2%, however.

## Bristol-Myers Squibb, Pfizer

The drugmakers will sell a popular blood thinner to patients at a discount, a move that comes as the Trump administration pressures the industry to cut prices. Bristol-Myers shares rose 1.9%, but Pfizer's stock closed nearly flat, edging down 0.1%.

## Lucid

The EV maker rocketed 36% on the news that it will collaborate on a robotaxi program for Uber's ride-share app.

## FRIDAY'S EVENTS:

- ◆ Data on June housing starts is expected.
- ◆ University of Michigan preliminary consumer survey for July. The last survey showed consumers more optimistic about the economy in June than May, but less than at the start of 2025.

## EARNINGS EXPECTED:

- American Express
- Charles Schwab
- 3M

## U.S. Bancorp Posts Increase in Earnings

BY ROBB M. STEWART

**U.S. Bancorp** notched a rise in earnings for the latest quarter as it benefited from a lower loan-loss provision and growth in fee income.

The Minneapolis-based parent of U.S. Bank National Association recorded a profit of \$1.82 billion, or \$1.11 a share, up from \$1.6 billion, or 97 cents a share, a year earlier. That beat the \$1.07 per share that analysts polled by FactSet forecast.

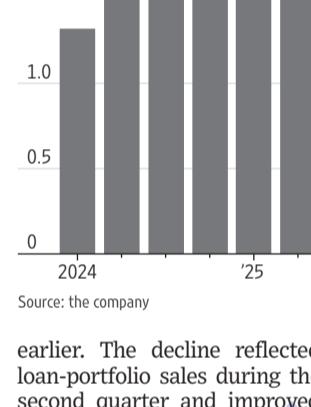
Revenue was up 2% to \$7 billion, broadly in line with the consensus forecast for \$7.05 billion.

U.S. Bancorp's net interest income for the three months nudged up 0.7% to \$4.05 billion, thanks largely to fixed-asset repricing, loan mix, and lower rates paid on interest-bearing deposits. Noninterest income was 3.9% higher at \$2.92 billion, buoyed by an increase in payment-services revenue, trust and investment-management fees, though partially offset by lower mortgage-banking revenue.

The company's noninterest costs fell 0.8%, due in part to lower compensation and employee benefits.

For the latest period, U.S. Bancorp narrowed its provision for credit losses to \$501 million from \$537 million in the prior quarter and \$568 million a year

## U.S. Bancorp quarterly net profit



earlier. The decline reflected loan-portfolio sales during the second quarter and improved credit quality, the company said.

President and Chief Executive Gunjan Kedia said the quarter highlighted U.S. Bancorp's momentum across several of its fee-income businesses, which she said now represent about 42% of company-wide revenue. Fee growth was led by payment-services revenue, trust and investment-management fees, though partially offset by lower mortgage-banking revenue.

The company's noninterest costs fell 0.8%, due in part to lower compensation and employee benefits.

For the latest period, U.S. Bancorp narrowed its provision for credit losses to \$501 million from \$537 million in the prior quarter and \$568 million a year

## EU Warns Spain Over Intervention In Merger of BBVA and Sabadell

BY ELENA VARDON

The European Union began proceedings against Spain over its intervention in banking mergers after the government blocked the legal combination of **BBVA** and **Sabadell** for at least three years.

The European Commission, the EU's executive arm, said Thursday in a formal notice that Spanish laws that give Madrid authority to intervene in banking acquisitions undermine the exclusive competencies of the European Central Bank and national supervisors, and restrict the fundamental EU freedoms of establishment and capital movements.

"We have received a communication from the European Commission regarding the initiation of an infringement procedure for an alleged misalignment of current Spanish regulations with European regulations," a spokesperson for Spain's economy ministry said, adding that these are laws that have been in force for years and have been applied on several occasions.

The legal warning comes after Spain imposed strict conditions on the proposed takeover by Banco Bilbao Vizcaya Argentaria—as the bank is formally known—of its

smaller peer Sabadell last month on general-interest grounds other than competition.

The government said it would clear the deal if the entities and assets of the two banks are kept separate and their activities are independently managed for a period of three years, which can be extended by a further two.



Spain imposed strict conditions on the proposed takeover.

union leaders, who have said a merger would harm competition, employment and financial inclusion.

The transaction has gotten the green light from the ECB and Spain's competition regulator.

BBVA still intends to proceed with the tender offer to Sabadell shareholders despite the government's decision, which lessens the deal's attractiveness by delaying a full operational merger and the projected cost savings that come with it.

Spain now has two months to respond to the letter of formal notice and address the shortcomings raised by the Commission.

The Spanish government will continue to cooperate constructively with the European institutions to explain and clarify any legal or technical differences, the spokesperson said.

Spain now has two months to respond to the letter of formal notice and address the issues raised by the Commission.

Another warning, called a reasoned opinion, could be issued if the response isn't satisfactory, and the case could further escalate to the EU's court of justice for an alleged breach of the bloc's law.

## U.K. Fines Barclays \$56 Million for Lapses In Its Risk Control

BY JOE WALLACE  
AND ELENA VARDON

**Barclays** has been fined roughly \$56 million for lapses in dealing with risky customers, including a client tied to one of Britain's biggest money-laundering cases.

U.K. regulators fined the bank more than £39 million, equivalent to \$52 million, for failing to detect and manage money-laundering risks in its yearslong relationship with Stunt & Co., a gold firm run by socialite James Stunt.

It received a separate £3 million fine on Wednesday for its dealings with a failed wealth-management firm, WealthTek.

"The consequences of poor financial crime controls are very real—they allow criminals to launder the proceeds of their crimes, and they allow fraudsters to defraud consumers," said Therese Chambers, a senior official at Britain's Financial Conduct Authority.

A spokeswoman for the bank said: "Barclays fully cooperated with both investigations and has further strengthened



Stunt & Co.'s James Stunt

its financial crime and other control capabilities."

The penalties are a black eye for Barclays. Under Chief Executive C.S. Venkatakrishnan, it has sought to draw a line under an era marked by a string of embarrassments, such as selling billions of dollars in unregistered securities.

Stunt opened a personal account at the bank in 2005, and his gold firm applied for a business account a decade later. From the outset, the FCA said, Barclays didn't seek enough information on the company to assess money-laundering risk.

The bank didn't address a discrepancy between Stunt & Co.'s application, which said it didn't trade outside the European Union, and a meeting in which company officials said they planned to ship gold from Ghana and Burkina Faso to wealthy consumers in the Middle East. The failures mounted from there, the FCA said.

A jury acquitted James Stunt, finding he had no knowledge or suspicion that the cash from Fowler was criminal property. A lawyer for Stunt and lawyers for the convicted directors didn't respond to requests to comment.

man Powell seriously, because it would so obviously be destructive to investors' confidence in the president's leadership of the economy and would almost certainly fail," says Ralph Schlosstein, chairman emeritus of investment bank Evercore. "The independence of the Fed is fundamental to our economic stability, the role of the dollar as the world's reserve currency and the willingness of global investors to finance our deficits."

Big investors are betting that President Trump won't follow through on his threat to fire Federal Reserve Chairman Jerome Powell.

Bond powerhouse Pimco hasn't adjusted its positions in light of Trump's threats to push Powell out, even with the potential for dramatic moves in Treasurys if it were to happen, according to people close to the situation.

Earlier this week, the bond manager sent a note to its clients dismissing Trump's call for the Fed chair to resign, as well as his effort to push the U.S. central bank to immediately cut interest rates, saying "neither of which seems likely."

Other investors and bankers say any move to fire Powell would likely ripple through markets and hurt confidence in U.S. bonds and other investments, making Trump immediately think twice about the decision. Big bank CEOs also have warned of the potential for dangerous consequences if Trump were to upset the belief in the Fed's independence.

"Rightly or wrongly, investors don't take the president's musings about removing Chairman Powell seriously, because it would so obviously be destructive to investors' confidence in the president's leadership of the economy and would almost certainly fail," says Ralph Schlosstein, chairman emeritus of investment bank Evercore.

"There is a chance that a Trump Fed nominee has a hard time getting past go," the firm told clients.

# HEARD ON THE STREET

FINANCIAL ANALYSIS &amp; COMMENTARY

## Big Banks Spin Market Chaos Into Gold

Investor anxieties swell trading revenue and profit, prompting lenders to put more money to work on Wall Street

Second-quarter market upheaval was about tariff policies. Third-quarter volatility might be about President Trump and the Federal Reserve.

Bankers are generally against moves that call into question the independence of the central bank. Yet in the meantime the biggest U.S. banks at least stand to profit from investors' anxiety, via their Wall Street trading desks.

These operations have kicked into high gear, providing a gusher of revenue and profit for big banks that reported second-quarter results this week, including **JPMorgan Chase** and **Goldman Sachs**. And a closer look suggests this could continue into future quarters, too.

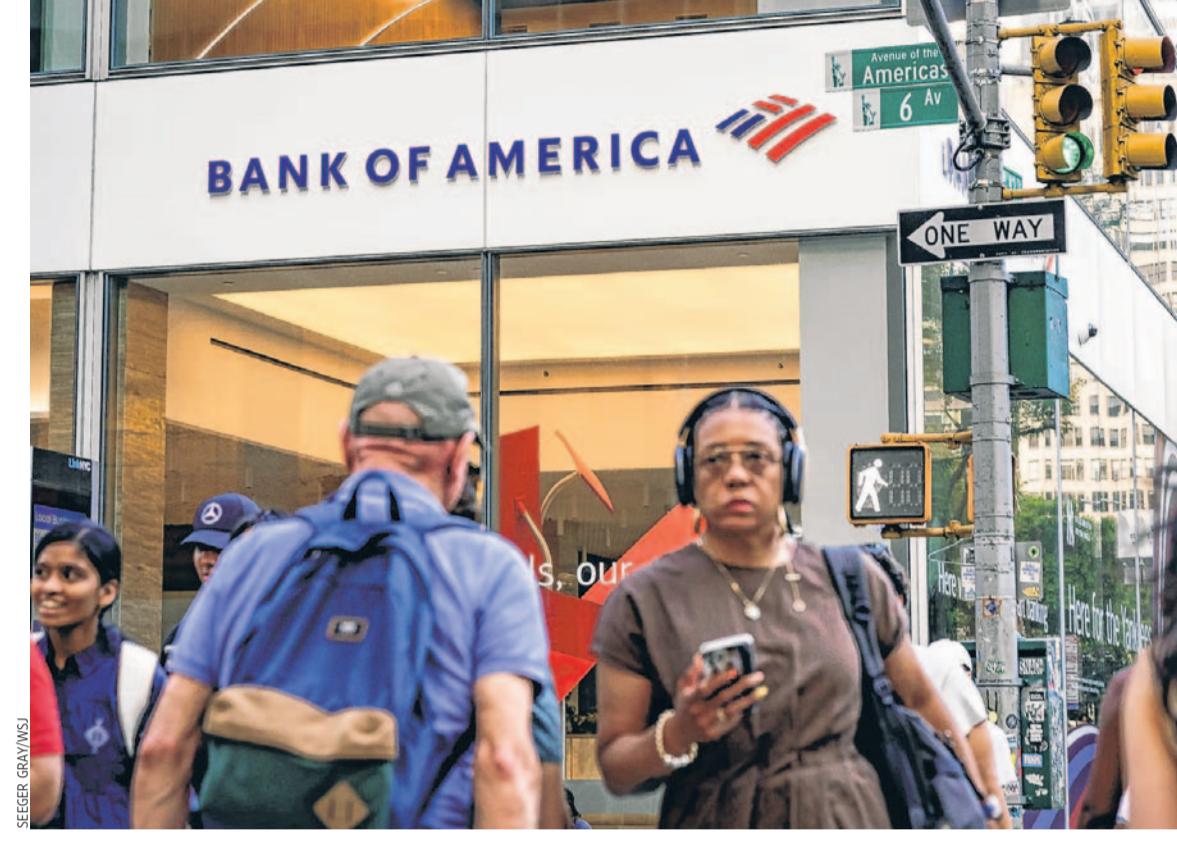
Markets are helping out trading desks by giving nervy clients plenty of reasons to trade. And many banks are allocating more of their capital to trading right now.

Trading desks can make more money in a few ways. One is by adding market risk. That is hard to do in the modern era, with the Volcker rule barring proprietary trading, and annual stress tests penalizing banks for such exposures.

Another way, though, is by increasing the volume of activity and by providing more financing to clients. That might not add more price risk. But it does consume resources on banks' balance sheets, like capital.

These days, however, many banks have capital to burn. For some big banks, the recent round of stress tests resulted in a swell of capital in excess of the minimum they are required to keep to meet government rules.

Further relief might be on the



SEEGER GRAY/WJS

way, particularly when it comes to trading in government bonds. Regulators are seeking comment on whether to exclude some Treasurys holdings from calculations of banks' leverage levels, which means banks can, in theory, hold more of these on their trading books with the same amount of capital.

What exactly fuels improved trading results is important because revenue bolstered by more resources is likely more sustainable. And this might boost banks'

share-price valuations over time. Investors have tended to discount profit from trading activity because historically it has been so volatile.

Consider **JPMorgan Chase**, whose trading revenue was \$8.9 billion in the second quarter, up 15% year over year. "While the revenues have gone up a lot, the resource usage has also gone up a lot," **JPMorgan** Chief Financial Officer Jeremy Barnum told analysts this week.

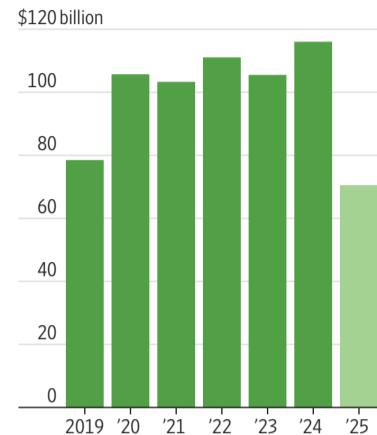
**Bank of America**, likewise, has

increased the capital allocated to its global markets segment to \$49 billion from \$45.5 billion a year earlier.

Money isn't free, of course. Capital going into one business can come out of another. Or it reduces the amount that can be returned to shareholders, as in stock buybacks. And while trading Treasurys might not raise banks' leverage in the future, it can have other consequences, such as a reduction in return on assets.

**Bank of America** decided to give

Total trading revenue at five Wall Street banks



Note: The banks are Bank of America, Citigroup, Goldman Sachs, JPMorgan Chase and Morgan Stanley. The 2025 figure is for the first half of the year.  
Source: RBC Capital Markets

**Bank of America** raised the capital allocated to its global markets segment to \$49 billion from \$45.5 billion a year earlier.

the global markets unit "more capital and capacity to grow, and they've used that wisely," Chief Executive Brian Moynihan told analysts this week. "But if you look across our businesses, that's the lowest return on allocated capital."

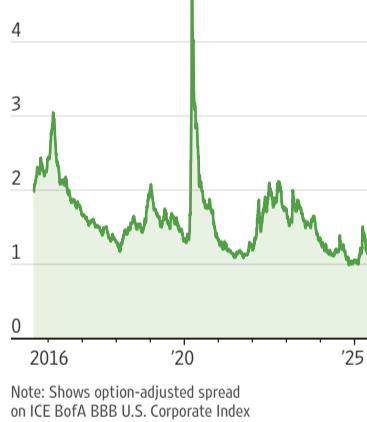
What that means is that future declines in trading revenue might be a sign that banks have found more-profitable ways of deploying their resources. That might include lending more to businesses if and when those clients get more policy certainty.

For big banks these days, it is looking like a heads-they-win, tails-they-win scenario.

—Telis Demos

## What Bond Yields Say: We've Hit the Credit Limit

Spread on triple-B rated U.S. corporate bonds



Note: Shows option-adjusted spread on ICE BofA BBB U.S. Corporate Index  
Sources: ICE Indices; Federal Reserve Bank of St. Louis

Stock valuations can get elevated, frothy, ridiculous, bonkers—insert adjective here.

Credit is a different world, and that is a distinction worth remembering right now. While the multiple of earnings or, in their absence, of revenue or eyeballs that investors will pay for a share of a company's future knows virtually no limit, there is a mathematical one for borrowing. We have pretty much reached it.

Take one measure of how risky investment-grade bonds in the most-crowded and lowest-rated BBB category are thought to be: This gauge, their option-adjusted spread, was near an all-time low this week at 1.01 percentage points. That doesn't tell you actual borrowing costs but instead how

much higher their yield is than the risk-free Treasury equivalent.

At that level, almost everything has to go right—risk with hardly any reward. Unlike Uncle Sam, companies can't print dollars to repay you and their bonds can't be bought and sold as easily.

Scary headlines can send credit investors scurrying, but exuberant ones will no longer push spreads lower. The BBB spread briefly hit 1.5 points around "Liberation Day" in April. When Covid-19 arrived, the spread went from 1.3 to 4.9 points before the Federal Reserve bought corporate bonds to calm markets. During the financial crisis it topped 8 points.

That meltdown seems like ancient history, but measures taken to prevent a repeat could create

fresh problems today. Bank trading desks can't step in to buy as many bonds as they used to, even as bond mutual funds are much bigger.

Those bond funds have proved to be durable. Newer structures haven't yet. In addition to corporate bonds and bank loans, the \$2 trillion private credit market has been opened to mom-and-pop investors. It is even coming to staid target-date funds popular in 401(k) plans.

Many loans are owned by collateralized loan obligations that slice risky credit into different categories, including super-safe tranches. Some of that repackaged debt is now owned by yield-hungry ETF investors, too.

But for that magic to work, rules limit how much speculative

debt can be part of those structures. If many companies face financial strains and get downgraded—for example, because of the trade war—CLOs may be forced to sell junkier debt.

Analysts at Rosenberg Research see more weakness in the junky part of the market than prices reflect. They calculate that speculative credit spreads imply a significantly lower default rate and higher economic growth than recent actual numbers.

Individual investors can usually be counted on to buoy swooning stock prices or to send them even higher. The credit market is different. It is trickier to buy the dip and, after the recent rally, almost impossible to chase the rip.

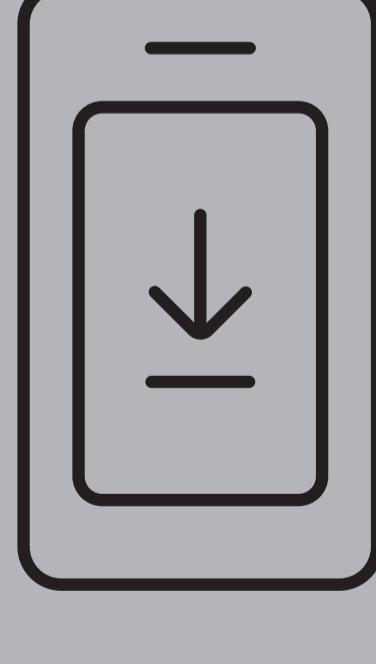
—Spencer Jakab

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# THE WALL STREET JOURNAL.



**Arnold Schwarzenegger**  
The actor got to Hollywood through body-building. **M12**

# MANSION

THE WALL STREET JOURNAL.

**\$24.995 Million**  
Tennis star Maria Sharapova lists in California. **M3**



HOMES | MARKETS | PEOPLE | REDOS | SALES

Friday, July 18, 2025 | **M1**

## Teeing Up a Golf-Home Purchase? Beware the Club Waiting List.

Since Covid, some golf communities have yearslong waiting lists for access to the links. House hunters are looking elsewhere.



Audrey and Sean Swider moved with their two young sons to a home on the golf course at the Hasentree Club in Wake Forest, N.C. They avoided communities without immediate golf access.

BY JESSICA FLINT

**M**ichigan residents Audrey and Sean Swider started dreaming about moving to a golf-club community in a warmer climate about seven years ago. Sean's passion for golf, shared by their two young sons, fueled the couple's desire for a golf-centric life-style year-round.

In 2023, the Swiders got serious about moving. They toured a half-dozen cities, from Raleigh, N.C., to Jacksonville, Fla. But like many recent U.S. house hunters with fairway aspirations, the Swiders encountered a hazard: golf-club waiting



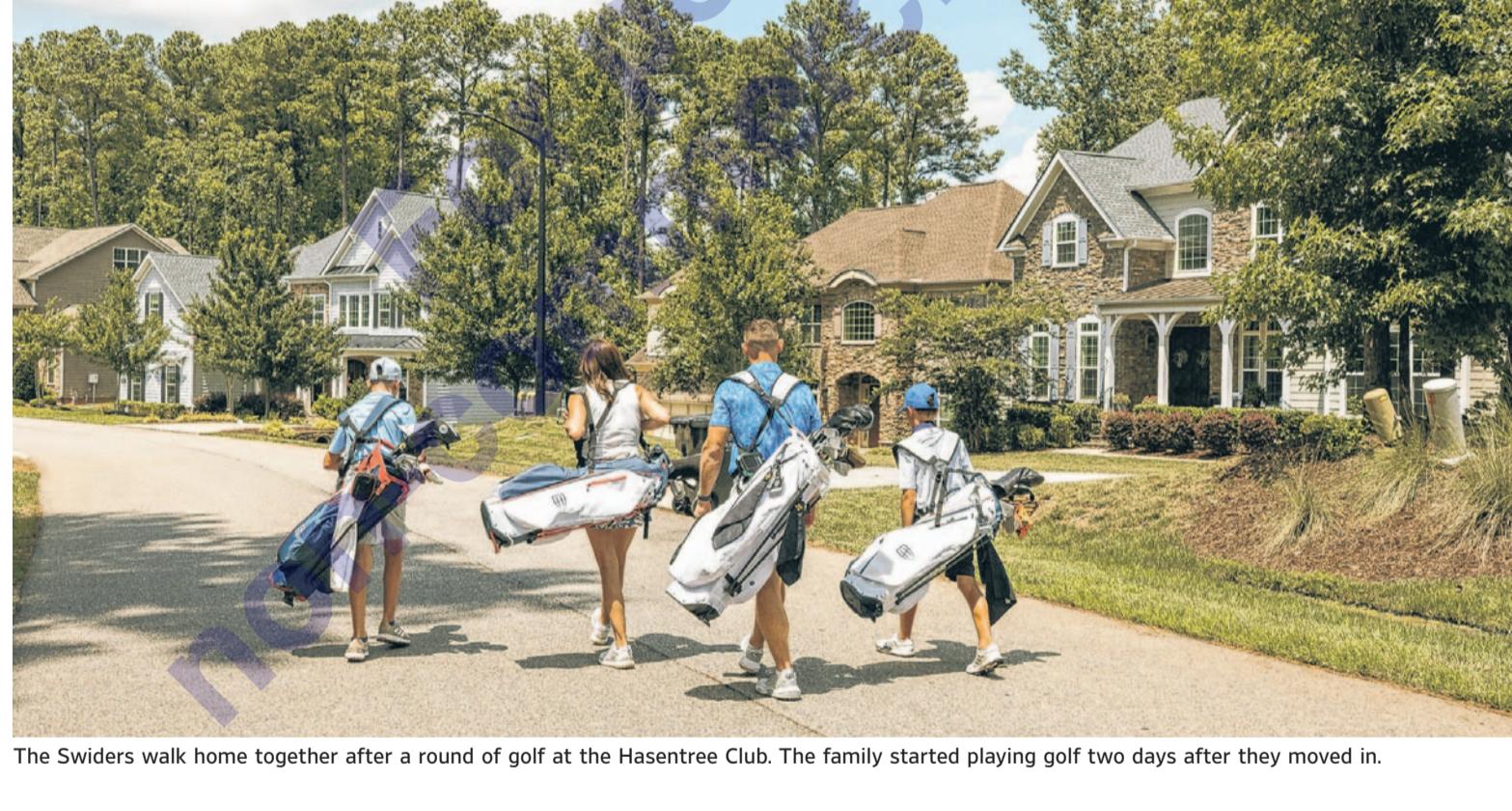
lists, which swelled during the pandemic and have yet to fully ease.

Buying a house in a golf community doesn't always guarantee an automatic club membership, and the Swiders discovered that some had long wait lists. They didn't even look at homes for sale in those neighborhoods.

"We did limit our house search because there were a couple clubs that we found out had a two-year wait list," says Sean, 46, a sales executive. "We didn't want to buy a house and move and not be able to use the golf course right away," says Audrey, a 47-year-old real-estate agent.

The couple landed on the Hasentree Club in

Please turn to page M8



The Swiders walk home together after a round of golf at the Hasentree Club. The family started playing golf two days after they moved in.

## Newman and Woodward's Home Sparks Bidding War

The Fifth Avenue co-op of Hollywood's 'golden couple' fielded 11 offers and sold well over asking

BY KATHERINE CLARKE

**AN INTENSE BIDDING** war over Paul Newman and Joanne Woodward's longtime Manhattan residence ended in the one-bedroom, roughly 3,000-square-foot co-op selling for around \$14 million, more than 40% above the asking price.

Noble Black of Douglas Elliman, a listing agent for the property, said more than 50 would-be buyers toured the home in the first week after it listed for \$9.95 million. Eventually 11 offers were submitted. One buyer was willing to pay even more than \$14 million, but the offer was rejected by the Newman family because it



Paul Newman and Joanne Woodward bought the apartment in the 1980s as a pied-à-terre.

seemed unlikely the person would pass the co-op board interview process as they wouldn't be using the property as a primary home.

Black declined to comment on the identity of the buyers, saying only that they are a couple who work in finance.

While the connection to the legendary Hollywood couple was a huge selling point for some, for

Please turn to page M6



## PRIVATE PROPERTIES

# Harry Macklowe Tries to Sell A Condo He Doesn't Own



Harry Macklowe

In recent weeks, legendary real-estate developer Harry Macklowe worked with real-estate brokerage Douglas Elliman to prepare his own home at 432 Park Avenue, the embattled skyscraper on Billionaires' Row he helped build, for sale. He told the firm he wanted to list it for \$75 million.

There was just one problem: He doesn't actually own the property.

In June, Macklowe was forced to surrender his equity in the LLCs he used to buy his apartments at 432 Park to a secured

lender tied to the building's sponsor, Los Angeles-based CIM Group, bankruptcy records show. The CIM-linked entity loaned Macklowe the money to buy three apartments at the building, two on the 78th floor and a smaller unit on the 28th floor that could be used for staff. He closed on the three units for a combined roughly \$47 million in 2022, property records show.

CIM initiated a foreclosure on the units in 2023, alleging that Macklowe was living lavishly

while defaulting on \$46 million in loans it provided for the purchases. A spokesperson for CIM declined to comment on the situation.

A real-estate agent for Macklowe approached The Wall Street Journal on July 10 offering the exclusive news that Macklowe was planning to list the units for sale.

Macklowe is perhaps best known for his role in developing the Apple cube on Fifth Avenue, and for having lost two real-estate empires, one during the

commercial real-estate crash of the early 1990s and the other during the 2008 financial crisis. Both times, he rebounded strongly.

Macklowe initially shared a statement on the listing via the agent, Shari Scharfer Rollins of Douglas Elliman. "Happy to share what I created knowing it will continue to be enjoyed by another in the best and most beautiful building in New York City and the world," he wrote. His office didn't

respond to requests for comment once the change in the ownership of the units became clear.

Spanning about 8,300 square feet, the 78th floor is divided into two apartments. A fully finished, roughly 7,000-square-foot unit has four bedrooms, while a raw space is about 1,200 square feet, according to Elliman.

The apartment has all the design hallmarks of units at 432 Park—such as a series of 10-by-10-foot windows with recessed seating nooks—but with a few Macklowe flourishes. Most of the units have a sculptural, egg-shaped bathtub, but Macklowe had his custom made out of blue glass. In the living room, he replaced wood floors with Rosa marble, giving it the look of an art gallery.

While Macklowe has historically been the face of 432 Park and worked for years on the design and development of the building, CIM was always the controlling sponsor of the project. Macklowe's battle with CIM for control of the units is one element in the cloud of litigation that has surrounded the building in recent years.

In a 2021 lawsuit, the condominium board alleged noise issues, leaks and malfunctioning elevators. The developers have denied most of the allegations. The case is ongoing.

The most recent major transaction in the building was the \$65.6 million sale of hedge funder Mitch Julis's

apartment in 2023. He originally listed the property for \$135 million.

Macklowe has also been trying to sell his home in East Hampton, N.Y., which is currently listed for \$32.5 million. The only problem with that one? It doesn't have a certificate of occupancy, meaning it can't be legally lived in.

—Katherine Clarke

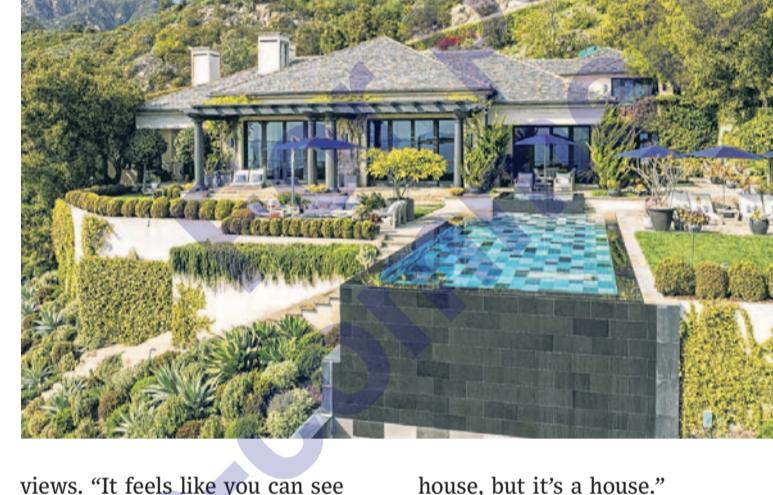
## Change of Scene: Former HBO President Lists

An estate in Montecito, Calif., owned by former HBO president Simon Sutton is coming on the market for \$24.995 million following an extensive three-year renovation.

Sited on roughly 6 acres overlooking the Pacific Ocean and the Channel Islands, the three-level, Neoclassical-style home spans about 9,700 square feet with five bedrooms.

Sutton and his husband, real-estate agent Don Johnston, who had been splitting their time between New York and Montecito for decades, bought the property for nearly \$9 million in 2014. Their intention was to use it for vacations and to eventually retire there.

Sutton said the couple was drawn to the property—which sits atop a granite hillside—for its



views. "It feels like you can see the ocean from every room," he said. "It's like being in a pent-

house, but it's a house." However, the house felt dated. The previous owners had painted

the walls in a terracotta shade and the pool, located on the side of the house with no views of the ocean, felt more like an "ornamental Italianate pond" than a real swimming pool, Sutton said.

The pair redid the interiors and spent more than \$1 million to move the pool to a spot with a view of the ocean. Sutton also wanted the pool's bottom to be tiled in contrasting shades, reminiscent of a pool design he saw in Asia.

He never expected it to be controversial with his design team. "People kept saying, 'Are we really sure about this?'" he said with a laugh. "By the 29th time they asked, I was like, 'Am I even sure?'"

He remained committed.

The couple is selling because they came across an architecturally significant house in need of some work and got excited at the idea of a new project.

Sutton, who is from Nottingham, England, joined HBO in 2005 and left in 2019, shortly after its parent company, Time Warner, was acquired by AT&T, he said. More recently, he has invested in businesses such as the furniture company Jonathan Adler.

Johnston, who works with Sotheby's International Realty, shares the listing with colleague Gregg Lynn.

—Katherine Clarke

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FOR SALE

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MILLION**

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\$14.94M. Web# 11826064.  
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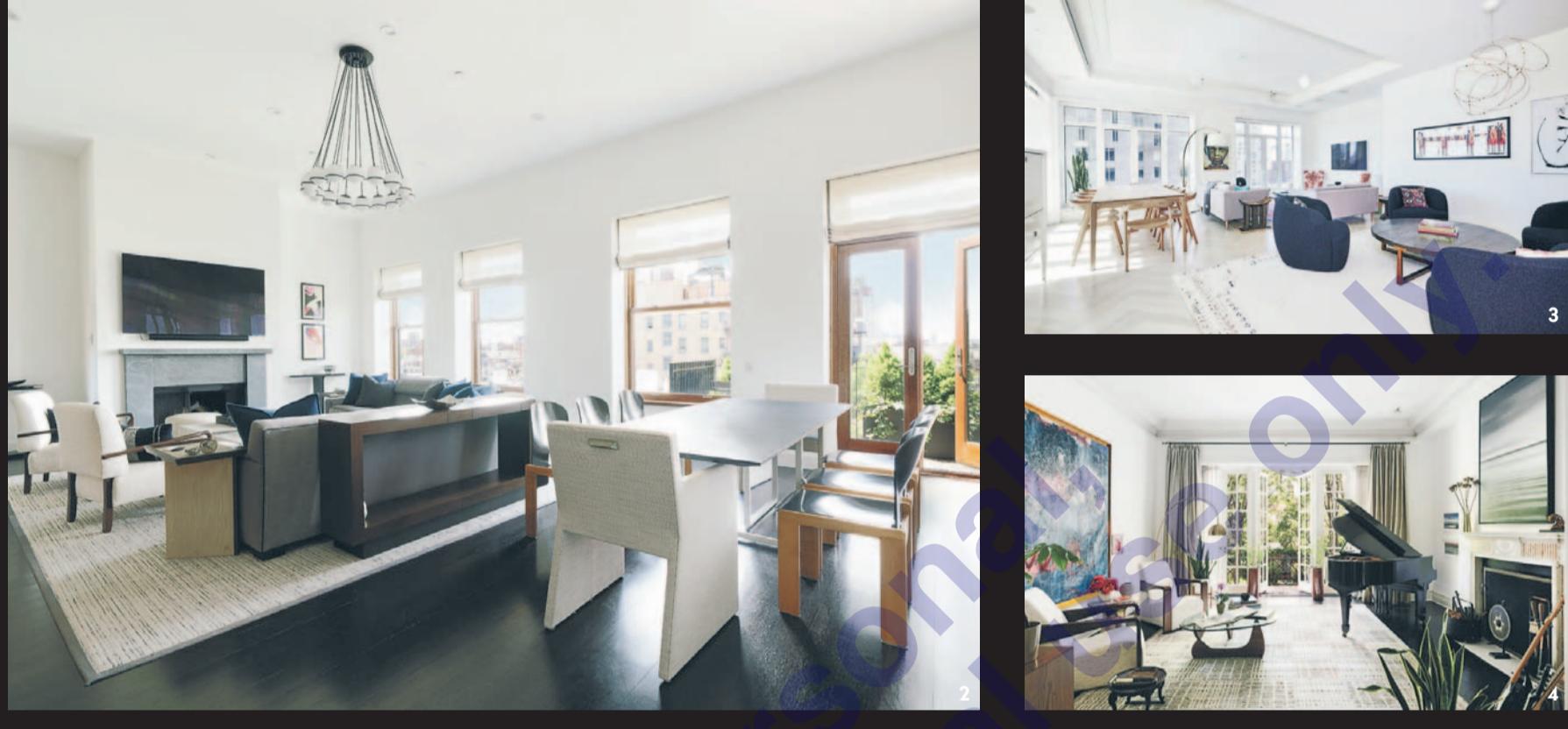
**2. Grand West Village Condo with Fabulous Terrace**  
173 Macdougal Street. 3BR. 2.5 Bath.  
\$11M. Web# 23467345.  
David E. Kornmeier 917-494-4302

**3. Full Floor Penthouse Condo with Terrace**  
40 East End Avenue. 4BR. 4.5 Bath.  
\$9.995M. Web# 23423845.  
Abigail S. Lash 917-445-3271

**4. Exceptional Historic Townhouse in Treadwell Farm**  
208 East 62nd. 4BR. 3 Bath. 2 Half-Bath.  
\$7.895M. Web# 23519393.  
Norhana "Nora" Ariffin 917-856-4254  
Christopher Kromer 917-972-8646



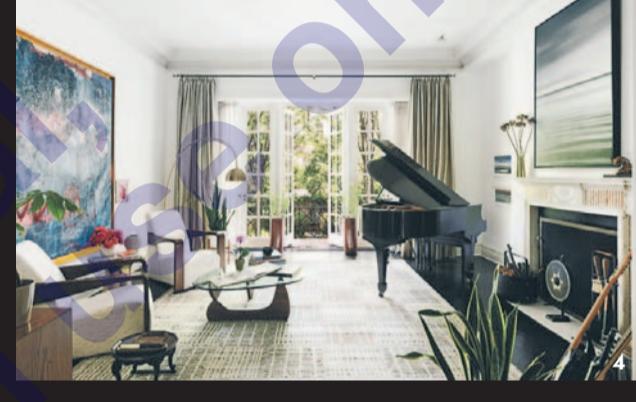
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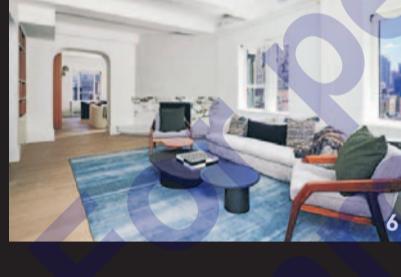
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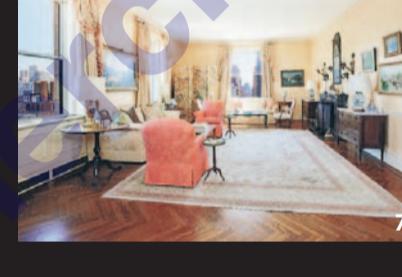
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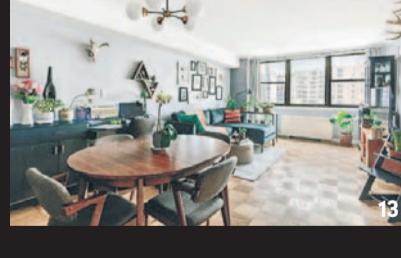
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Abigail S. Lash 917-445-3271

**7. Grand Park Ave 3BR with Skyline Views**  
550 Park Avenue. 3BR. 2 Bath.  
\$4.95M. Web# 23360100.  
Jill Roosevelt 917-319-8535

**8. Park Slope Townhouse - Exceptional Opportunity**  
750 Carroll Street. 6BR. 5.5 Bath.  
\$3.995M. Web# 23527488.  
Jeffrey Zoldan 917-806-7836

**9. Elegant Classic 6 in Top Park Avenue Building**  
1070 Park Avenue. 2BR. 2.5 Bath.  
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Michael Kerins 212-381-2398

**10. Stunning Duplex Home in the Sky!**  
277 West End Avenue. 5BR. 5 Bath.  
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Lisa K. Lippman 212-588-5606

**11. Pristine Park Avenue Prewar**  
1111 Park Avenue. 4BR. 3.5 Bath.  
\$10.775M. Web# 23379084.  
Burt Savitsky 917-561-0925  
Jessica Savitsky 917-767-2648

**12. The Marvelous Maisonette**  
419 East 57th. 3BR. 2.5 Bath.  
\$1.695M. Web# 23116164.  
Doug Eichman 917-741-9044

**13. Private Outdoor Space with Iconic Views!**  
225 East 36th. 2BR. 2 Bath.  
\$999,999. Web# 23525561.  
Bryan Tomczuk 646-662-1960

**14. Heights Crossing Darien**  
440 Heights Road, CT.  
2BR. 2.5 Bath.  
\$6.4K/month. Web# 24072488.  
[www.heightscrossingdarien.com](http://www.heightscrossingdarien.com)  
Beth Vaccaro 203-727-3983  
Breda Casey 203-905-0424

**15. New Mint Penthouse Dream**  
1035 Park Avenue. 2-3BR. 2.5 Bath.  
\$6.45M. Web# 23418769.  
Maria Pashby 917-520-0592  
Joanna A. Pashby 917-623-9123  
Jamie S. Joseph 917-215-5993

**16. 5H – Corner Grandeur at The Apthorp**  
390 West End Avenue. 4BR. 3 Bath.  
\$5.595M. Web# 23431132.  
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## PRIVATE PROPERTIES

# Sharapova Puts House on the Market

Retired tennis star Maria Sharapova is listing her Los Angeles-area home for \$24.995 million.

The home—which has ocean views but no tennis court—is in Manhattan Beach, Calif., about 20 miles southwest of downtown L.A., said listing agent Susan Perryman of Carolwood Estates.

Russia-born Sharapova, 38, and her fiancé, British businessman Alexander Gilkes, are selling because they plan to spend more time in Europe with family, according to Perryman, who said



**FOR SALE  
\$24.995  
MILLION**

8,600 sq. ft., 5 bedrooms,  
pool, bowling lanes

they also own a house in Florida.

The five-time Grand Slam winner bought the ocean-view lot for \$4.1 million in 2012, according to property records.

She commissioned Los Angeles-



based KAA Design to custom-build the house, which was completed in 2015, said Perryman.

Inside, the house has a double-height entry gallery with concrete walls.

There are two bowling lanes adjacent to the media room. In the living room, Sharapova likes to read on a built-in bench jutting out over the pool, according to Perryman.

Outside, there is a fireplace and

walls of greenery for privacy.

Sharapova, who played professional tennis from 2001 to 2020, was ranked World No. 1 in 2005, according to the International Tennis Hall of Fame. She has modeled for the Sports Illustrated Swimsuit issue and companies including Nike, and founded the now-defunct Florida-based candy company Sugarpova around 2012.

Gilkes is co-founder of venture

studio Squared Circles and the now-defunct online auction house Paddle8. They have a 3-year-old son.

The median sale price in Manhattan Beach was \$3.4 million in June, up 4.6% from the same time last year, according to Redfin.

The luxury market in Manhattan Beach has seen increased demand since the Pacific Palisades fire earlier this year, said Perryman.

—Sarah Paynter

In the mountains of Colorado, a 40-acre estate fit for a Kentucky Derby thoroughbred is hitting the market for \$25 million.

About two years ago, Gus King, a racehorse owner and founder of an Alabama-based flexible-packaging company, bought the property in Longmont, a city around 15 miles northeast of Boulder.

He and his wife, Tobie King, paid \$10 million, according to their daughter, Jenna King, 33.

Gus, 77, owns the racehorse Publisher, who came in 14th place in this year's Kentucky Derby. Gus became interested in horse racing around 20 years ago following the death of his son.

"It's something of a bond we shared that's helped me stay in touch with him since he passed," he said.

The Kings, who are based in Alabama, bought the property to be closer to their daughter, who was

## Thoroughbred Owner Looks To Unload Horse Farm



going to law school in Boulder at the time.

The property has a roughly 10,000-square-foot home, a tradi-

**FOR SALE**

**\$25**

**MILLION**

10,000-sq.-ft. house, horse

barn, party barn, pool

tional barn for equipment and horses, and a converted barn with event spaces and a kitchenette. The grounds also contain a pool, tennis court and outdoor kitchen.

After law school, Jenna lived on the Longmont property for about a year with her husband and children before moving to Steamboat Springs, according to Gus. He and Tobie then gut renovated the six-bedroom main house, which includes an attached one-bedroom apartment. He and Tobie visit the home at least once a quarter.

"I don't really like to take time off work," Gus said. "This pulled me away a little bit. If you ask anyone who knows me, that's something."

Gus said he considered eventually retiring Publisher at the estate, but he decided to sell the property instead. He and Tobie want to be closer to their daughter and grandchildren in Steamboat Springs.

The listing agent is Zach Zeldner of Compass.

—Libertina Brandt

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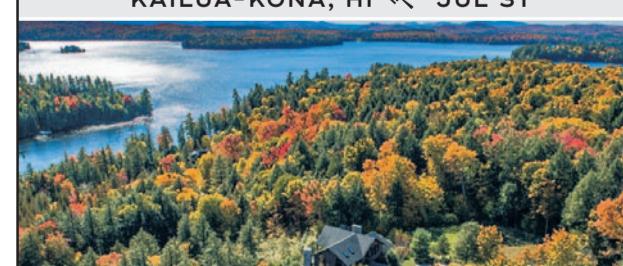
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## MANSION

## ANNOTATED ROOM

# A Renovation Rooted in Nature

A \$31,000 oak-branch chandelier inspired by a tree outside the window is the living room's centerpiece



BY ELAINE PAOLONI QUILICI

**T**aking cues from its adjacent garden square and late-Victorian and Georgian architecture, the living room of a Knightsbridge, London, townhouse pays homage to nature in a layered design.

The roughly 260-square-foot space was part of a full renovation for a management consultant and corporate strategist in

her early 50s, who shares the home with her two sons. In addition to being a formal space for entertaining, it serves as a place to meet with clients.

To have the room feel as if it were designed over time, London-based interior designer Christian Bense and his team began by retaining the original architecture. They preserved the cornicing, repaired the large windows and updated the fireplace. Custom floor

ing made of reclaimed wood gives the room a lived-in look. Farrow & Ball's Peignoir paint provides a neutral backdrop.

"We looked at [the walls of] the National Portrait Gallery in London and found this lovely, soft pinky-gray tone that worked because it added [a sense of] history, as if it had been that color always," Bense said.

The designer curated furnishings and accessories from differ-

ent periods to look as if one person had lived in the space since the 1800s. Traditional pieces offset more modern ones. Botanical paintings are balanced by abstract works.

Bense relied on a mix of materials and finishes, including a mirrored side table that reflects the outside trees, a large wooden table that acts as a room anchor, and green curtains that extend the verdant views.

**1. Sofa**

The pink velvet Lorford's contemporary sofa complements the simplicity of the architecture. "The sofa needed to look and feel as if it was left behind from a previous [owner]," Bense said. // **Price:** \$9,000

**2. Coffee Table**

Inspired by Brutalist design, the Heerenhuis coffee table acts as an anchor to the room. "We wanted a contemporary and natural piece of furniture to contrast with the classical feel of the space," Bense said. // **Price:** \$3,900

**3. Armchairs**

The vintage Art Deco armchairs in sage mohair velvet were the first thing Bense bought for the room. // **Price:** \$3,000 each

**4. Chandelier**

The Cox London oak-branch chandelier was inspired by the tree outside the window. Bense had it custom-colored in summer-green verdigris tones, lighter greens for spring and orangy tips for autumn to follow the seasons. // **Price:** \$31,000

**5. Rug**

The Luke Irwin area rug is made from acid-washed recycled saree silk. "The rug was an opportunity to allow for something a little more distressed and aged," Bense said. // **Price:** \$14,000

**6. Desk**

The Charles Orchard desk is a contemporary reimagining of an antique writing desk. // **Price:** \$3,100

**7. Stools**

The Art Deco zebra stools provide a place for intimate conversation and add graphic variation. // **Price:** \$1,800 each

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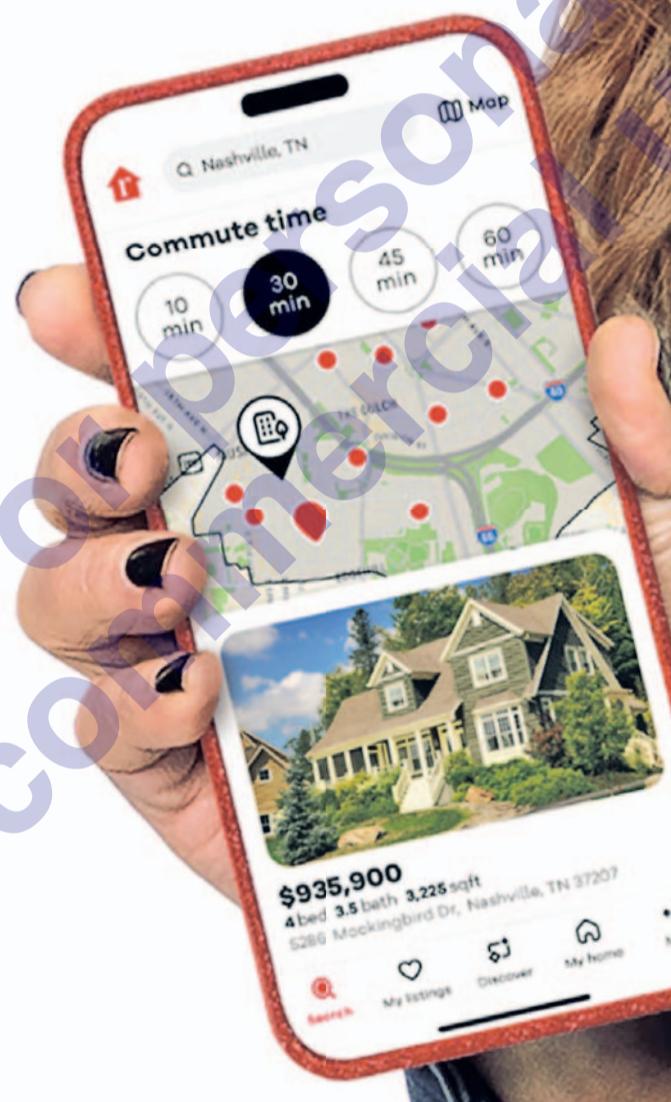
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## MANSION



## Bidding War On Fifth Ave.

*Continued from page M1*  
the eventual buyers, it was just a bonus, he said.

The apartment is currently configured as a one-bedroom. There are multiple terraces, including a big one off the living room with views over Central Park. Below right, the bedroom suite has a separate seating area.

Instead, Black attributed the huge response to the physical attributes of the apartment, which comprises half of the top floor of a 15-story limestone co-op building at 1120 Fifth Avenue, in Carnegie Hill.

"It was the most perfectly romantic storybook apartment," Black said. The property has sweeping views of Central Park and the Jacqueline Kennedy Onassis Reservoir, multiple terraces, a formal dining room with detailed moldings and a large living room with a wood-burning fireplace at one end and a quaint hidden bar at the other.

Newman and Woodward were married for 50 years before "The Color of Money" actor died in 2008. The couple bought the apartment in the 1980s and configured the space to have a single bedroom. A prospective second bedroom was used as a library.

They used the apartment as a pied-à-terre, entertaining a Who's Who of entertainment personalities there.

Black said he and his co-listing

**\$14 MILLION**  
3,000 sq. ft.,  
hidden bar,  
wood-burning  
fireplace

Bidding wars aren't unheard of in New York City real estate, but it is unusual to have one with so many offers, Black said. This one is particularly notable since prices have been sliding in Upper East Side co-op buildings that were once considered some of New York's finest.

In recent years, the cachet of living in these types of buildings has eroded as younger buyers' choose condo buildings with fewer rules, or apartments in hipper neighborhoods downtown.

Woodward, who lives in Westport, Conn., has retired from public life after a diagnosis of Alzheimer's disease in 2007. She was known for films like "The Three Faces of Eve."

A call to one of the couple's daughters, Clea Newman Soderlund, wasn't returned.

The buyers' agents were Maria Pashby, Joanna Pashby and Wendy J. Sarasohn, all of Brown Harris Stevens.

Sarasohn declined to comment.

EVAN JOSEPH STUDIOS (5)



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## MANSION

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BY NANCY KEATES

**S**tephen Robeck and his wife, Susan Robeck, were living in Santa Barbara, Calif., when they decided they needed a change. Their house had been robbed twice and the area had suffered devastating mudslides, killing 23 people.

"We were ready to try something new," said Susan, 73.

During a trip to Santa Fe in 2018, they bought two lots for \$715,000 in Las Campanas, a gated golf community about 20 minutes from the city's central plaza. A



ARAN/ARS/CLUDS/SOTHEBY'S INTERNATIONAL REALTY (4)

# A Santa Fe Home in a Gated Golf Community

A retired couple moved to the New Mexico city from California and built a sprawling custom home in Las Campanas

year later, the pair moved into a rental and hired architect Lorn Tryk to build their new home.

The couple say they were very hands-on when it came to the design, and were influenced by the minimalism of the Getty Museum

in Los Angeles. They didn't want baseboards or crown moldings, and instead opted for walls that hover a few inches off the ground. They also wanted the main living spaces to be open to each other, but also separate—something they achieved using countertops and walls that don't reach the ceiling, visually breaking up the space.

## Building the house

The cost to build in 2019 and early 2020 was around \$600 per square foot—significantly less than the some \$1,000 to \$1,200 per square foot being charged by luxury builders today, said Tara Earley with Sotheby's International Realty, who has the listing with Ricky Allen of Sotheby's International Realty.

"When you buy something already built you might sacrifice



something and not get exactly what you want, but the value is so much better," says Allen.

## Can't-miss features

The main bedroom and the couple's workspaces are at one end, the living spaces are in the middle and the two-bedroom, two-bathroom guest suite is at the other.



Stephen, a photographer who is retired from a career in film, video production and marketing, has a studio with skylights and storage for supplies. The three-car garage includes a dedicated RV bay and 50 amp EV charger.

## Reason for selling?

The Robecks are planning to move with their daughter and her family to the Pacific Northwest. Until that happens, they will most likely rent a home near Portland, Ore., or live in their Airstream trailer.

They aren't concerned about trading the sunshine of New Mexico for the rain of the Pacific Northwest. "I spend most of my days in the studio so I wouldn't care if it was raining," says Stephen.

## Market snapshot

Las Campanas has over 1,000 homes and spans roughly 4,900 acres. There is land available, with parcels selling for \$90,000 to \$570,000. As of July 9, there were 50 active listings priced from \$925,000 to \$5.95 million.

Prices in the Santa Fe high-end market have started to soften. The median sales price for homes above \$3 million between June 2024 and May 2025 was \$3.395 million, down 8% from a year earlier.

The number of homes sold for over \$3 million was up 22% compared with a year earlier.

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## MANSION

# Golf-Home Wait Lists

*Continued from page M1*

Wake Forest, N.C. In May 2023, the Swiders closed on a \$1.24 million house that is 6,000 square feet and has five bedrooms. It's on the fifth hole of the club's 18-hole course. They started playing golf two days after they moved in.

For prospective golf-community homeowners, wait lists have turned the buying process into a game of strategy, patience and sometimes compromise, forcing some people to rethink when and where they buy homes. This is a turnaround from before the pandemic, when such communities had been plagued with years of sluggish sales and stagnant prices.

When it comes to home sales, "golf-club wait lists are a very real problem," says Devin Kay, a Miami-based Douglas Elliman real-estate agent. "It's one of the biggest challenges I've been dealing with."

Some of his clients start their search in Miami, but finding that they can't get into any of the golf clubs, buy instead in Boca Raton, Palm Beach Gardens or Jupiter, where some club memberships automatically come with a home purchase, he says.

"If Naples, Fla., was their dream retirement snowbird escape, they will explore Vero Beach or Jacksonville, in Florida, or Greenville, in South Carolina, as there is new construction in those areas and instant availability for a club membership," says Jason Becker of Golf Life Navigators, a platform that helps people find golf communities.

There are approximately 3,800 private clubs in the U.S. About 47% of them, or roughly 1,800 clubs, have wait lists, ranging from a few months to 10 or more years, according to Club Benchmarking, a private club business-intelligence company. That figure has roughly doubled from before Covid, when 25% had wait lists.

The process of obtaining a golf membership varies from club to



Bonita Bay Club

BONITA BAY CLUB (2)

Florida's Bonita Bay Club historically had about 62 golf members join each year. During the pandemic, that number more than tripled to 191.



club. In some communities, membership is mandatory or bundled with a home purchase inside the gates. Other communities allow homeowners the option to join, though a wait list might apply. Some private golf clubs offer no preferred access, even for owners of homes directly on the course.

Last summer, Becker worked with a client who wanted to relocate to southwest Florida, home to about 150 private clubs. Only two clubs had memberships available—and they were almost sold out. "The client was like, 'When

did that happen?'" Becker says. "I said, 'It happened in 2021, after Covid showed its face.'" The client is still house-hunting.

Before 2021, the average golf house buyer was typically looking at clubs where 8% to 10% of people dropped their memberships each year, Becker says. Post-pandemic, that rate has dropped to 2% to 4%. Meanwhile, the number of golfers in the U.S. has increased by 16% since 2019, according to the National Golf Foundation.

Fred Fung is the CEO and general manager of Bonita Bay Club,

**47%**  
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## MANSION



Peter Mirabello and Kimberly Elliott bought their house southeast of Jacksonville, Fla., in 2021. They moved in two years ago.



a golf club in Bonita Springs, in southwest Florida. It has five 18-hole courses spread out over two campuses and about 3,400 residences within its gates. Properties currently on the market range from around \$335,000 to \$6 million.

Historically, Bonita Bay Club had about 62 golf members join each year. In the first fiscal year of the pandemic, that number more than tripled to 191, Fung says. Now it has about 180 people across its three golf waiting tiers.

Shortly before the pandemic, aerospace executive and entrepreneur Peter Mirabello, 63, and former insurance industry executive Kimberly Elliott, 60, started looking at relocating from Connecticut to the southeastern U.S., consider-

Mirabello and Elliott's home has an outdoor putting green and an indoor golf simulator. Below, the Glen Kernan Club is pictured.



ing southeast Georgia and north Florida. To ease their transition, they wanted to join a golf club for its built-in community.

They ultimately chose the Jacksonville area. Avoiding club wait lists wasn't the sole reason for landing there, but Peter says it was part of their decision.

"We got a little bit lucky because there were still some club membership opportunities," Peter says. "Now the lines are longer."

In July 2021, the couple purchased a \$4 million, 6,400-square-foot spec house with five bedrooms on a 0.7-acre cul-de-sac lot.

*Please turn to page M10*



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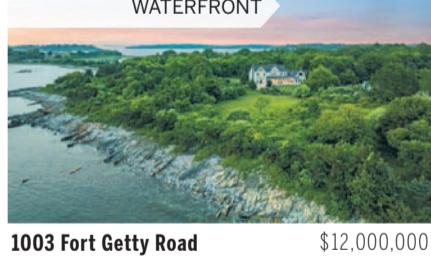
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## MANSION

## Shell Bay



The Miami area's Shell Bay, shown in renderings, will have an 18-hole course and a condo tower. Buying one of the roughly 100 residences, priced from about \$2 million to \$13 million, allows for immediate club access.



*Continued from page M9*  
in the Ponte Vedra Inn & Club community, which has two 18-hole courses. They spent an additional \$1.2 million to customize their home. Construction finished in July 2023, when they moved in.

After buying their house, they joined the Ponte Vedra Inn & Club, which soon after started a wait list that remains. They are still members there.

In 2022, they joined Dye's Valley at TPC Sawgrass, which also

has a wait list now. They eventually resigned, however, to join Glen Kernan Club in 2024. Glen Kernan had membership openings due to ownership changes resulting in extensive renovations of the clubhouse and golf course. It's now invitation-only for golf.

Becker anticipates that wait lists could soon get shorter, primarily because more golf-home inventory has opened up over the last six months as compared with the past couple of years, he says.

More homes for sale might mean more memberships available as sellers often drop out.

Brian Friederichs, CEO of Capstone Hospitality, which specializes in private-club membership sales, adds that once club wait lists reach three to five years, it becomes harder to attract new potential members, so wait lists start to shrink naturally.

"We're making the turn to where becoming a member at a club could be more feasible than

it was in the last five years," says Johnny Delprete, a Douglas Elliman real-estate agent in Florida's Palm Beach and Martin counties. "But it's still competitive."

Meanwhile, clubs are seeking creative solutions to minimize wait times.

At Bonita Bay Club, Fung implemented what he calls progressive golf tiers, which grants immediate limited golf access to new members and incremental access as they move up the tiers toward a full golf membership. The complete process is currently estimated to take around three years, though that time frame could significantly change based on member turnover.

David Pillsbury, CEO of Invited—a network encompassing 154 golf clubs nationwide, including the Swiders' Hasentree club—

oversees XLife. This upgrade allows members and those on wait lists to play at Invited's non-wait-listed clubs and 200 more clubs.

Buyers are also paying big bucks to skip wait lists all together. In the Miami area, Shell Bay is a new development with an 18-hole course and a condo tower that broke ground in January.

Buying one of the roughly 100 residences, which range from about \$2 million to \$13 million, allows for immediate club access. "I've sold Shell Bay residences to people who didn't even need a condo, but they ended up purchasing a property simply to gain club membership," Kay says.

Condo buyers still have to shell out for a club initiation fee, but they get about a 40% discount. The bargain cost? \$800,000.



FROM TOP: THE BOUNDARY; BILL HORSTEIN, MARCH

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'wellness sanctuary'

Now, however, she is listing the roughly 8,100-square-foot home for \$29.5 million.

Cutler has split her time between Colorado and New York City for years. In 2006, she started SoulCycle in New York with business partner Julie Rice. The two grew the company to 60 studios before departing in 2016, said Cutler, who is now a venture capitalist and is about to open a vintage furniture store in New York. The fitness brand is now



owned by Equinox.

The home was purchased through a trust for \$4.175 million in 2013, property records show. Cutler expanded the footprint of the site by buying the lot next door. In the main house, she

added a bunk room and two additional guest suites, giving the property seven bedrooms.

She built a separate structure to serve as a bathhouse and "wellness sanctuary" with a lap pool, sauna and steam room.

Roughly a mile outside of Telluride, the roughly 5-acre property is set among cliffs, waterfalls and tall aspen and pine trees.

The property helps Cutler relax; it has been "like Xanax" for her over the years, she said with a

laugh. In the morning, she said, she drinks coffee while looking at the waterfalls. During the day, she likes to ski, hike or go mushroom hunting.

The sale price includes the home's custom furnishings as well as a fleet of e-bikes and a tiny electric car for easy travel to and from town.

A Chicago native, Cutler said she fell in love with Colorado as a student at the University of Colorado Boulder. She is selling in large part because her children are now adults.

Known for its skiing and film festival, Telluride has attracted many boldfaced names over the years. In 2021, Tom Cruise sold his home there for just under \$40 million. The median listing home price in Telluride was \$3.7 million in May 2025, according to Realtor.com.

Brian O'Neill of Telluride Properties has the listing for Cutler's property.

—Katherine Clarke

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VIRGINIA BENDER

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## MANSION

HOUSE CALL | ARNOLD SCHWARZENEGGER

# The Moment He Fell in Love With America

The 'Fubar' actor on growing up in post-war Austria, discovering bodybuilding and his early Hollywood dreams

**M**y early years in Thal, Austria, were challenging. After World War II, the economy in the Graz suburb where I grew up was shattered. Everyone suffered.

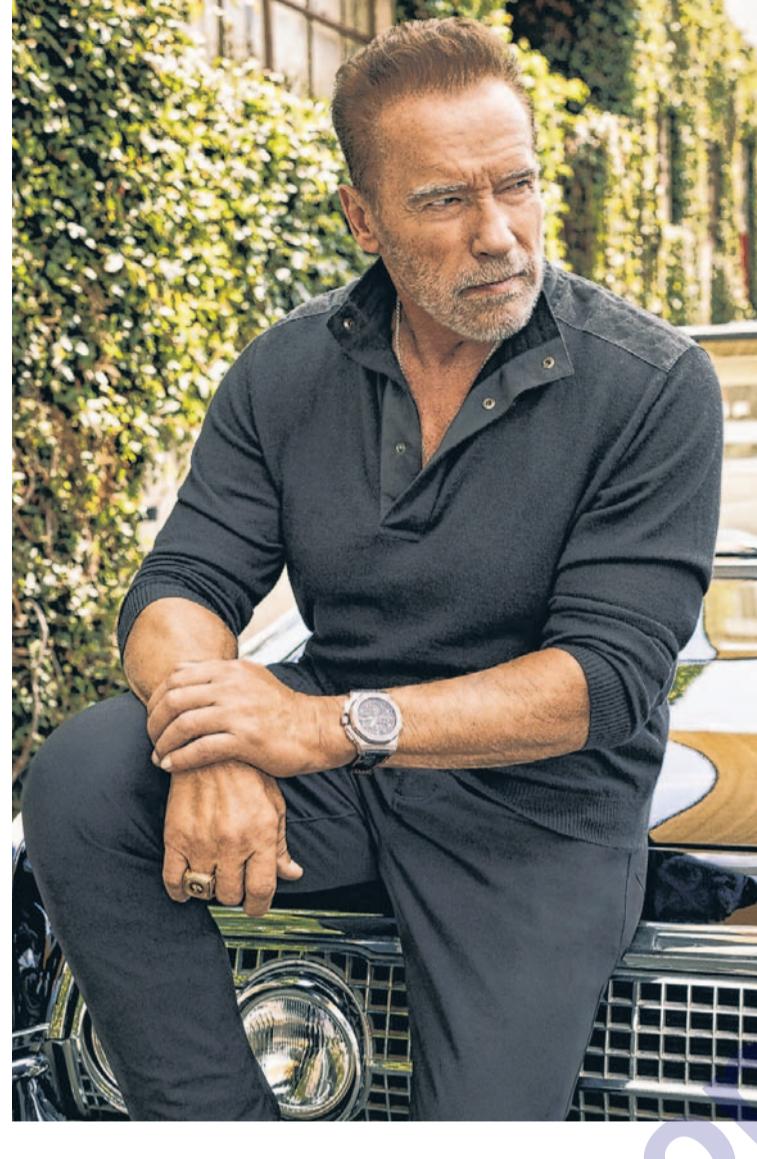
My father, Gustav, was a very, very sweet man, but when he drank, his personality changed. He became more violent and demanding. His behavior and drinking were influenced by the war's remnants—shrapnel in his legs that caused him pain, the lingering effects of malaria and what we now call post-traumatic stress disorder. My mother, Aurelia, was a homemaker.

Our family lived on the second floor of a three-story building. The first floor was occupied by the local forest ranger and the second was for my father, the town's police chief. The forest ranger had a phone but we didn't, and there was no running water.

I wasn't happy with the life I saw unfolding. I always had a feeling deep down that I needed to look for something else, something outside the box.

At age 10, I fell in love with America. That came from watching film rolls in school. The teacher would advance the strips by turning a knob, showing one image at a time. I was blown away. They were about things like the Empire State Building, the Golden Gate Bridge and cars with huge fins driving on U.S. highways with six lanes on each side.

At some point, there was a roll on Hollywood. I'd never seen anything like it—the glamour, the lights and the houses. I said to myself, "What am I doing here?" I wanted to be in America and to become famous and rich.



As I got older, the question shifted to "How do I get there?" At 15, I stumbled into bodybuilding at our local lake and said to myself, "Well, that's in America!" The life-

guard always had other top athletes around, including weightlifters. Soon, I became part of that group.

As a teen, my testosterone was kicking in and I wanted to look like

a he-man. I read about Roy "Reg" Park, an English bodybuilder who played Hercules in Italian movies. He won Mr. Universe three times and became an actor. My dream was possible. All of my time was spent in this world of physical fitness, building up muscles to compete in contests and fantasizing about movie stardom.

At one point, I was in school looking out the window and daydreaming when a piece of chalk hit me in the head. My teacher said, "Arnold, what do you think I'm doing here, talking to myself?" I had no interest in what he was saying.

In 1967, I won the amateur Mr. Universe title in London when I was 20. I then trained in Munich for another year and won my first professional Mr. Universe title.

After I won in 1968, Joe Weider, a bodybuilding enthusiast who published muscle magazines, brought me to Los Angeles. He put me up at an apartment in Venice, near Gold's Gym, where I trained.

When I arrived in L.A., I was totally disappointed. The city looked nothing like New York, with its tall buildings. Venice's sidewalks were dirty and no one cleaned them, and drugs were sold in back alleys.

Two more Mr. Universe titles followed, in 1969 and '70. From the start, I knew bodybuilding was going to lead to acting.

In 1970, I was cast in "Hercules in New York," and then in TV series and films, including "Stay Hungry" in '76, for which I won the Golden Globe Award for best acting debut. Then came "The Streets of San Francisco" and "Pumping Iron" in '77, and "Conan the Barbarian," the big one, in '82. I was on my way.

In the middle of all this, I studied remotely for a bachelor's degree in business at the University of Wisconsin-Superior. From the time I arrived in America, I went to community college to take English classes and get smart about business. In 1983, I



Schwarzenegger, left, in 2022 in L.A., and above, on the left, with his mother and half-brother in Austria in 1948.

became a U.S. citizen.

Today, I live in a contemporary house in Brentwood in Los Angeles. It's a perfect place where I can see the foliage and the mountains. I'm close to town, it's private and I have all my pet animals.

In the 1980s, I took my mother to a White House dinner to meet President Reagan. At the table, I went to scratch my nose

and she hit my hand.

In front of everyone, she said, "Don't pick your nose in the White House. Please, Arnold." I wasn't, but that didn't stop her. No matter how big you get, your mother knows how to shrink you just a little.

—As told to Marc Myers

**Arnold Schwarzenegger, 77, is an actor, an Emmy-winning producer and the former governor of California. He stars in season 2 of the Netflix action-comedy series "Fubar."**

## ARNOLD'S DONKEY

**"Fubar"?** I play Luke Brunner, a CIA operative who discovers his daughter is also an operative after years of lying to each other about their jobs.

**Pets?** I have a miniature donkey named Lulu, a pig, a miniature horse and other animals that walk around in the house when my floor-to-ceiling windows are slid open. Otherwise, they are in their stalls.

**Messy?** No never. They're all house-trained.

**Best cigar ever?** A vintage Cuban-made Davidoff Dom Perignon that I smoked at Davidoff's store in London in the 1990s. You can only get them now at auction.

FROM LEFT: MICHAEL SCHWARTZ/NETFLIX; ARNOLD SCHWARZENEGGER



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