

THE WALL STREET JOURNAL.

DOW JONES | News Corp *****

FRIDAY, APRIL 13, 2018 ~ VOL. CCLXXI NO. 86

WSJ.com

★★★★ \$4.00

DJIA 24483.05 ▲ 293.60 1.2%

NASDAQ 7140.25 ▲ 1.0%

STOXX 600 378.82 ▲ 0.7%

10-YR. TREAS. ▼ 12/32, yield 2.832%

OIL \$67.07 ▲ \$0.25

GOLD \$1,338.40 ▼ \$18.10

EURO \$1.2327

YEN 107.32

What's News

Business & Finance

Venture-capital investment from Asia is soaring, possibly heralding a shift in power over technological innovation away from the U.S. A1

◆ A feud between Tesla and the NTSB escalated, sidelining the auto maker from an official investigation into a fatal crash. A1

◆ Uber is committed to its self-driving-car program, the company's CEO said. B3

◆ GE is exploring a public offering for one of its divisions and discussing hybrid deals with public companies to combine assets. A1

◆ VW's board ousted CEO Müller and named Diess, who ran the auto maker's namesake brand, as chief. B1

◆ Many financial firms are shedding ties with Russia's En+ following the latest wave of U.S. sanctions. B1

◆ More private companies are taking steps toward going public following a burst of successful tech IPOs. B1

◆ Wynn has been in talks to sell its partially built Boston-area casino project to rival MGM Resorts. B1

◆ U.S. stocks rebounded as bank shares surged. The Dow gained 293.60 points, or 1.2%, to 24483.05. B1

◆ BlackRock pulled in nearly \$57 billion in new investor cash last quarter, with the bulk going to ETFs. B10

◆ Some Rite Aid shareholders oppose the Albertsons deal, saying it undervalues the drugstore chain. B3

◆ Zillow is getting into the business of buying and flipping homes. B2

World-Wide

◆ The White House plans to boost pressure on China by focusing on new tariffs and threatening to block Chinese technology investment in the U.S. Meanwhile, Trump has told aides to investigate the possibility of rejoining the TPP. A1, A4

◆ The U.S. and allies united around broad plans for a military strike against Syria, as they worked to bridge differences over its scope. A8

◆ Trump intends to pardon Libby, a former top aide to Cheney who was convicted in a CIA leak case. A4

◆ Pressure on Rosenstein intensified amid a dispute between Congress and the Justice Department over access to documents. A4

◆ Former FBI chief Comey, in a new memoir, describes Trump as a "deeply flawed person and leader." A4

◆ Pompeo sought to reassure a Senate panel that he would be a sober voice on foreign policy if confirmed as secretary of state. A2

◆ The Senate approved former coal lobbyist Andrew Wheeler to be Pruitt's deputy at the EPA. A5

◆ China staged a show of force in the South China Sea, with Xi presiding over a parade of naval ships. A16

◆ Trump issued an executive order creating a task force to recommend reforms in the U.S. Postal Service. A3

◆ Oklahoma teachers ended a strike that resulted in pay raises and more education funding. A3

CONTENTS Opinion..... A13-15
Business News..... B3 Sports..... A12
Crossword..... A10 Streetwise..... B1
Head on Street..... B12 Technology..... B4
Life & Arts..... A10-11 U.S. News..... A2-5
Mansion..... M1-14 Weather..... A11
Markets..... B11-12 World News..... A6-8,16

15534>
0 78908 63141 1

© Copyright 2018 Dow Jones & Company. All Rights Reserved

Secretary of State Nominee Faces Questions as Syria Move Looms



UNDER SCRUTINY: Central Intelligence Agency Director Mike Pompeo faced sometimes-contentious questions Thursday from senators considering his nomination for secretary of state. Meantime, Britain, France and the U.S. agreed on the outline of a military attack on Syria. A2, A8

Asia Funds Challenge Silicon Valley

America's wide lead in venture capital fades, threatening to shift power over innovation

By PHRED DVORAK
AND YASUFUMI SAITO

took place in the U.S., with American investors plowing money into mostly U.S.-based venture firms.

Now, a surge of new money—mostly from China—has helped drive funding totals into the stratosphere and has transformed the venture landscape, according to an exclusive Wall Street Journal analysis of venture funding data.

Asian investors directed nearly as much money into startups last year as American investors did—40% of the record \$154 billion in global venture financing versus 44%, the

Journal's analysis of data from private markets data tracker Dow Jones VentureSource found. Asia's share is up from less than 5% just 10 years ago.

That tidal wave of cash into promising young firms could herald a shift in who controls the world's technological innovation and its economic fruits, from artificial intelligence to self-driving cars.

Silicon Valley previously was far and away the leader for tech entrepreneurs in both money and know-how, says Kai-Fu Lee, a veteran tech executive who headed China units of Mi-

crosoft and Google before founding his own Beijing-based venture-capital firm, Sinovation Ventures, in 2009. The rise of China's venture market "signifies a shift from a single-epicenter view of the world to a duopoly," he says.

U.S. investors remain the biggest single source of global venture capital, and they do more deals than anyone else—nearly half of all venture rounds in 2017, according to VentureSource data. The U.S. is still an important driver of innovation, with many of China's

Please see FUND page A9

Going, Going, Gone

The glut of stored oil among industrialized economies—which helped keep prices low for years—has shrunk after production cuts by OPEC and Russia. That has sent prices higher. B11

Total oil inventories in OECD countries compared with their five-year averages



GE Explores Further Spinoffs, Joint Deals

As its strategic review stretches into a ninth month, General Electric Co. is exploring a public offering for one of its divisions and discussing hybrid deals with public companies to combine assets, according to people familiar with the matter.

By Thomas Gryta,
Dana Mattioli
and David Benoit

Unlike straight asset sales, the hybrid deals would leave GE shareholders with stakes in multiple public companies. The possibilities include spinning off a division and combining it with a smaller public company in a way that avoids a big tax bill. Such moves would give the industrial conglomerate and its shareholders a chance to participate in the turnaround of struggling businesses.

GE Transportation could be a model, according to some of the people. GE is now

Tesla, Investigators Feud Over a Crash

An unusual public feud between Tesla Inc. and federal accident investigators escalated Thursday over the examination of a fatal car crash, sidelining the auto maker from an official

By Mike Spector,
Tim Higgins
and Andy Pasztor

probe concerning its semiautonomous driving system.

In dueling explanations, Tesla and the National Transportation Safety Board clashed over whether the company withdrew or was removed as an official party to the agency's investigation into last month's crash of a Model X sport-utility

vehicle that killed the driver near Mountain View, Calif.

The NTSB said Thursday that it tossed Tesla from the probe, asserting the auto maker violated a formal agreement when it released detailed information this week about the crash before government investigators had vetted it.

Tesla late Wednesday, and again on Thursday, contended it dropped out, saying restrictions on disclosures could jeopardize public safety by blocking the timely release of relevant information to the

Please see TESLA page A2

◆ Uber is committed to self-driving cars, CEO says..... B3

INSIDE



LOS ANGELES'S HIGH-TECH PLAYA VISTA

MANSION, MI

VOLKSWAGEN OUSTS ITS CEO

BUSINESS & FINANCE, B1

You Say 'Fiddy,' I Say 'Foedee'

* * *

Tax Act yields new jargon but no pronunciation key

By RICHARD RUBIN
AND THEO FRANCIS

WASHINGTON—Fiddy isn't just a rapper's name anymore. In 2018, it's a tax break.

Technically, it is a deduction in the new tax law, for Foreign-Derived Intangible Income, available to U.S. exporters. FDII, as it's abbreviated, could cause a trans-Atlantic spat over whether it violates international trade rules.

It's already causing a squabble over something else—how to pronounce FDII.

The "F" comes from "foreign," so some tax lawyers call it "FOE-dee," putting it alongside FOGEI and FORI, long

Please see TAXES page A9

Introducing MUFG Bank. Building on our heritage as a global bank.



Your trust,
your future,
our commitment

MUFG

MUFG Bank, Ltd.

A member of MUFG, a global financial group

www.bk.mufg.jp/global

©2018 Mitsubishi UFJ Financial Group

U.S. NEWS

Pompeo Promises Not to Be 'Yes Man'

Nominee for secretary of state tells senators he'll back Trump, but dissent when needed

By MICHAEL R. GORDON
AND NANCY A. YOUSSEF

Mike Pompeo sought to reassure the Senate Foreign Relations Committee on Thursday that he would be a sober voice on foreign policy if confirmed as the next U.S. secretary of state and would carry out President Donald Trump's agenda while not hesitating to differ in internal debates.

After firing Rex Tillerson as the chief U.S. diplomat, Mr. Trump stressed that he wanted a secretary of state like Mr. Pompeo, who would be on the "same wavelength."

Lawmakers acknowledge that Mr. Pompeo's closeness to the president could give him leverage in international negotiations, but some also ex-

pressed concern during his confirmation hearing Thursday that Mr. Trump's decision to surround himself with like-minded national-security officials carried risks.

"Many strong voices have been terminated or resigned," said Sen. Bob Corker (R., Tenn.), chairman of the panel. "It's fair for our members to ask whether your relationship is rooted in a candid, healthy, give-and-take dynamic, or whether it's based on deferential willingness to go along," Mr. Corker said.

Sen. Bob Menendez (D., N.J.) was more blunt, asking Mr. Pompeo whether he would advocate for diplomatic solutions or would serve as a "yes man" who would take the U.S. into unnecessary wars.

During hours of testimony, Mr. Pompeo sought to distance himself from some of the more assertive comments he had issued as a lawmaker, insisting that he favored strong diplomacy over preemptive military

strikes and was more interested in negotiating than encouraging regime change.

Mr. Pompeo bridled at suggestions that he was a "hawk," arguing that as a former Army officer who served in the 1991 Persian Gulf War, he knew the horrors of combat.

"There's no one like someone who's served in uniform who understands the value of diplomacy and the terror and tragedy that is war," he said.

Currently the Central Intelligence Agency director, Mr. Pompeo also portrayed himself as a counterpoint to Mr. Tillerson, vowing to improve morale at the State Department, fill longstanding vacancies and empower career diplomats.

If confirmed, one of Mr. Pompeo's early challenges will be trying to resolve differences with key European allies about ways to strengthen the 2015 international agreement that constrains Iran's nuclear program. Mr. Pompeo said he planned to take up the issue at



CIA Director Mike Pompeo, left, told senators such as Bob Corker, right, that he favors strong diplomacy.

a meeting of the Group of 7 leading nations and at a gathering of North Atlantic Treaty Organization foreign ministers, both later this month.

The U.S. and its allies appear to have resolved many of their differences about ways to limit Iran's ballistic-missile program and to reinforce the need for thorough inspections. But top officials have yet to agree on ways to dissuade Iran from expanding its capability to enrich uranium in future years, especially eight years

from now when Iran would be allowed to start operating more efficient centrifuges under the current agreement.

Mr. Trump has set May 12 as a self-imposed deadline for strengthening the deal or beginning the process of formally withdrawing from the accord. In an exchange with lawmakers, Mr. Pompeo left open the possibility that talks with allies might continue after Mr. Trump decided to withdraw.

"If there's no chance that we can fix it, I will recommend

to the president that we do our level best to work with our allies to achieve a better outcome and a better deal," Mr. Pompeo said.

Some experts have speculated that talks could continue even if no agreement was reached by May 12 because the Trump administration would have latitude about how quickly to impose some key sanctions.

◆ U.S. allies draft plan for military strike in Syria..... A8

Endangered Birds Find Their Sea Legs



BUOYANT INDEED: Two African penguins hatched in December got a feel for the water Thursday at the National Aviary in Pittsburgh.

TESLA

Continued from Page One
public including about its semiautonomous driving system, called Autopilot.

The safety board countered that its procedures call for immediate recommendations if emergency safety fixes are required.

The dispute between an unconventional Silicon Valley electric-car maker and a small government agency with sizable influence over transportation safety illustrates how both sides are grappling with new investigative and public-relations issues stemming from crashes of vehicles with driverless-car technologies.

The safety board, with five members confirmed by the Senate, is responsible for investigating accidents across various transportation modes and then issuing nonbinding recommendations to regulatory authorities.

Despite a sterling worldwide reputation for dissecting aviation disasters, the NTSB lacks extensive experience looking into the complexities of autonomous systems controlling passenger vehicles.

While the safety board has no regulatory mandate, its findings and recommendations have shaped aviation, railroad and pipeline operations. It has relied on companies and unions to participate in accident probes by contributing technical expertise, but those so-called parties to federal investigations have to follow strict prohibitions against unilaterally giving out information to the public or prematurely announcing conclusions to the media.

Sen. Richard Blumenthal (D., Conn.), who has long delved into auto-safety issues, said Thursday he was "troubled by Tesla's reckless disre-

gard" of its obligations to the NTSB. "If autonomous-vehicle manufacturers like Tesla cannot be trusted to fully cooperate, then it's clear that Congress must act," he said in a written statement.

Removals from NTSB party agreements are rare. The agency in 2014 revoked party status for United Parcel Ser-

pany's signature products.

Tesla's pugnacity toward the NTSB reflects its iconoclastic approach to corporate communications that often involves Chief Executive Elon Musk assailing critics on Twitter, even joking about the company's financial ruin.

Unlike other car makers, Tesla doesn't shy from confronting government agencies.

On Thursday, it repeated an earlier point Mr. Musk had tweeted, calling the NTSB an "advisory body" as opposed to a "regulatory" one and describing its own relationship with the National Highway Traffic Safety Administration, the main federal agency that oversees vehicle makers,

"strong and positive."

Autopilot has garnered investor enthusiasm and helped Tesla at one point surpass General Motors Co. as the U.S.'s most valuable auto maker by market capitalization. The technology has also drawn scrutiny, though, with the NTSB determining after the May 2016 fatal crash of a Tesla car that Autopilot allowed a driver to go long periods without hands on the wheel and ig-

nored warnings from the vehicle.

The NTSB is also investigating the January crash of a Tesla Model S into the back of a firetruck near Culver City, Calif. The vehicle's driver said Autopilot was engaged at the time of the crash, according to local firefighters. And the NTSB is probing the March 18 death of a pedestrian struck and killed in Arizona by an Uber Technologies Inc. self-driving car, though not a Tesla, that had a safety operator behind the wheel.

Tesla released information about the March 23 fatal crash under investigation several times recently, suggesting that the driver, Walter Huang, was to blame because, though Autopilot was activated before the crash, he still had at least

five seconds to take over the wheel before it collided with a highway barrier.

The NTSB said such releases can prompt "speculation and incorrect assumptions about the probable cause of a crash, which does a disservice to the investigative process and the traveling public."

NTSB Chairman Robert Sumwalt and Mr. Musk last Friday appeared to defuse tension, with the men discussing the agency's investigative processes and recommendations U.S. investigators made after the May 2016 fatal Tesla crash, according to a letter released Thursday.

But on Wednesday, Tesla came out with a stronger statement defending Autopilot and blaming the incident on Mr. Huang after his family hired a lawyer to explore legal options.

"The crash happened on a clear day with several hundred feet of visibility ahead, which means that the only way for this accident to have occurred is if Mr. Huang wasn't paying attention to the road, despite the car providing multiple warnings to do so," the company said.

Unlike other car makers, Tesla doesn't shy from confronting government agencies.

vice Inc. and a pilots union in the probe of a crash of one of the package-delivery company's cargo planes after public comments were made by each side about circumstances surrounding the accident.

For Tesla, a departure from the NTSB agreement risks diminishing the car maker's influence over and insight into an investigation that could ultimately reach critical conclusions about one of the com-



A Tesla employee driving one of the company's Model S electric vehicles, equipped with the semiautonomous Autopilot system.

U.S. WATCH

COURTS

Backpage.com, CEO Enter Guilty Pleas

The chief executive of a website that authorities have dubbed an "online brothel" pleaded guilty Thursday to state and federal charges including conspiracy and money laundering, and agreed to testify in prosecutions against others at Backpage.com, authorities said. The company itself pleaded guilty to human trafficking in Texas.

Authorities allege the site was often used to traffic underage victims, while company officials said they tried to scrub the website of such ads.

Chief Executive Officer Carl Ferrer will serve no more than five years in prison under a California agreement in which he pleaded guilty to one count of conspiracy and three counts of money laundering in California.

Also Thursday, Texas Attorney General Ken Paxton said the company pleaded guilty to human trafficking.

The guilty pleas are the latest developments against the company founded by Michael Lacey, 69 years old, and James Larkin, 68. The company founders were among Backpage officials indicted by a federal grand jury in Arizona. Attorneys for the company and Messrs. Ferrer, Lacey and Larkin didn't respond to requests for comment.

Messrs. Lacey and Larkin remain jailed in Arizona while they await hearings on whether they should be released after pleading not guilty to federal charges alleging they helped publish ads for sexual services.

Messrs. Lacey and Larkin also earlier pleaded not guilty to the California charges after a judge last year allowed the state to continue with money-laundering charges.

—Associated Press

ECONOMY

Jobless Claims Hit Record Streak

Initial jobless claims, a proxy for layoffs across the U.S., decreased by 9,000 to a seasonally adjusted 233,000 in the week ended April 7, the Labor Department said Thursday. This means claims have now held below 300,000 for 162 consecutive weeks, cementing the longest streak for weekly records dating back to 1967.

The consistently low claims levels point to labor market health because they mean relatively few Americans are losing their jobs and applying for benefits to tide them over.

—Sarah Chaney

SOUTHWEST

Drought Worsening Across the Region

Drought is tightening its grip across the Southwest as extreme conditions spread from Oklahoma to Utah, according to new federal data released Thursday. On the southern high plains, Oklahoma remains ground zero for the worst drought conditions in the country. About 20% of the state is facing exceptional drought conditions, the worst possible classification.

—Associated Press

CORRECTIONS & AMPLIFICATIONS

Investors in Alphabet Inc. and others have renewed calls for more transparency about its YouTube business's financial performance. In some editions Thursday, a Page One What's News item incorrectly referred to YouTube investors.

In some editions Wednesday, special counsel Robert Mueller's last name was misspelled as Muller in one reference in a Page One article about congressional lawmakers' warnings against firing the special counsel.

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

During March 2017, about 12,000 people were arrested crossing the U.S. border illegally from Mexico. An April 6 U.S. News article about President Donald Trump's plans to send National Guard troops to the border incorrectly said March 2018.

Netflix Inc. is spending \$8 billion on original and acquired content in 2018. A Page One article Tuesday about efforts by movie theaters to lure customers incorrectly said the amount was only for original content.

Letters to the Editor: Fax: 212-416-2891; email: wsjtrs@wsj.com

NEED ASSISTANCE WITH YOUR SUBSCRIPTION?
By web: customercenter.wsj.com; By email: wsjsupport@wsj.com
By phone: 1-800-JOURNAL (1-800-568-7625); Or by live chat at wsj.com/livechat

REPRINTS & LICENSING
By email: customreprints@dowjones.com; By phone: 1-800-843-0008

GOT A TIP FOR US? SUBMIT IT AT WSJ.COM/TIPS

THE WALL STREET JOURNAL
(USPS 664-880) (Eastern Edition ISSN 0099-9660)
(Central Edition ISSN 1092-0935) (Western Edition ISSN 0193-2241)
Editorial and publication headquarters: 1211 Avenue of the Americas, New York, NY 10036
Published daily except Sundays and general legal holidays.
Periodicals postage paid at New York, NY, and other mailing offices.
Postmaster: Send address changes to The Wall Street Journal,
200 Burnett Rd., Chicago, MA 01020.

All advertising published in The Wall Street Journal is subject to the applicable rate card, copies of which are available from the Advertising Services Department, Dow Jones & Co. Inc., 1211 Avenue of the Americas, New York, NY, 10036. The Journal reserves the right not to accept an advertiser's order. Only publication of an advertisement shall constitute final acceptance of the advertiser's order.

Letters to the Editor: Fax: 212-416-2891; email: wsjtrs@wsj.com

NEED ASSISTANCE WITH YOUR SUBSCRIPTION?
By web: customercenter.wsj.com; By email: wsjsupport@wsj.com
By phone: 1-800-JOURNAL (1-800-568-7625); Or by live chat at wsj.com/livechat

REPRINTS & LICENSING
By email: customreprints@dowjones.com; By phone: 1-800-843-0008

GOT A TIP FOR US? SUBMIT IT AT WSJ.COM/TIPS

U.S. NEWS

Task Force To Review Finances Of USPS

By HEIDI VOGT

WASHINGTON—President Donald Trump issued an executive order Thursday creating a task force to recommend reforms in the U.S. Postal Service, following weeks of tweets accusing the agency of giving a sweetheart deal to Amazon Inc. for package delivery.

The Postal Service “is on an unsustainable financial path and must be restructured to prevent a taxpayer-funded bailout,” Mr. Trump said in the order.

A Postal Service spokesman didn’t immediately respond to requests for comment.

The order didn’t directly address the Postal Service’s contracts with Amazon Inc., but did say the task force will look at the pricing in the package-delivery market.

Mr. Trump said the Postal Service needs to “compete fairly in commercial markets.”

In his tweets, Mr. Trump has chastised the Postal Service as Amazon’s “delivery boy” and said “only fools” would believe the service makes money with Amazon. In fact, while the Postal Service has posted a net loss for years, revenue from these package contracts has been increasing in recent years and the Postal Service is banned from signing any contract that would lose money.

Some analysts have argued that the Postal Service should consider charging Amazon and other package deliverers more to make up for other liabilities in pension and health-care costs, but few analysts agree with the president’s assertion that Amazon causes the service to lose money.

The executive order also says the task force should look at issues around pensions and medical costs, along with “inflexible costs” mandated by law.

Guard at Border Splits Arizonans

By ALICIA A. CALDWELL

ARIVACA, ARIZ.—At a migrants-assistance office here, a sign declared “Make militarization of the border a thing of the past,” indicating how some view President Donald Trump’s plan to deploy the National Guard to the nearby Mexican border.

A few miles away, amid the scrub brush that dots the arid landscape around the international boundary, the Guard’s call-up couldn’t come soon enough for some longtime cattlemen.

“I am absolutely elated,” said Jim Chilton, a 79-year-old fifth-generation Arizonan and cattle rancher. “It’s what’s needed.”

Along the Arizona border, Mr. Trump’s decision last week has spurred emotional and wide-ranging reactions from lawmakers, law-enforcement officials and local residents.

More than 4,000 U.S. Border Patrol agents already are assigned to the roughly 370 miles of Mexican border in Arizona. More than 330 Arizona National Guard troops are expected soon to join them to help address what the administration has called a “crisis.”

The Arizona contingent is part of a force of 2,000 to 4,000 National Guard troops that Mr. Trump said likely would be deployed along the 2,000-mile border. There is no word yet on how long they may stay.

Santa Cruz County Sheriff Tony Estrada, a Democrat who has worked in law enforcement in the area since 1966, said he didn’t know what crisis Mr. Trump was referring to. “We’ve had issues in the past, but what is the crisis if the numbers are down,” said Mr. Estrada, referring to the decades-low number of illegal border crossers arrested in 2017 by the Border Patrol. “I think it’s a made up crisis by the president to muscle Congress into building his big beautiful wall.”

In the first few months of the Trump administration, the number of people arrested each month plummeted to re-



Arizona National Guard members mustered Monday in Phoenix ahead of deployment to the Mexican border.

cord lows and since has steadily risen.

It has remained at low levels last seen in the early 1970s.

Mr. Trump, however, declared the level of arrests at the border an “UNACCEPTABLE 46 year low” in a tweet last week.

Former Presidents George W. Bush and Barack Obama each deployed the National Guard to the border in the past dozen years—one time apiece. The troops, who stayed on and off for several years, backed up the Border Patrol, helping monitor surveillance cameras, repair fences and vehicles, and other nonenforcement tasks.

Arizona Gov. Doug Ducey, a Republican who has been supportive of the latest deployment, said troops from his state would do the same this time around. “Despite what some may say, our southern border is not secure. That is the truth, plain and simple,” he

said in a statement Tuesday.

The Republican governors of Texas and New Mexico also have pledged troops. The first Guard troops in Texas—about 250—were deployed last week. California Gov. Jerry Brown, a Democrat, said his state would send about 400 troops, although he emphasized their role would be limited.

Mr. Chilton, whose 50,000-acre ranch skirts about 14 miles of border, agrees with the president. He said drug smugglers and others made their way north across his land each day, with some leaving behind trash and breaking fences.

Mr. Chilton said before the National Guard was deployed to the area during the Bush administration in 2006, as many as 30,000 people crossed his land every year. When the Guard arrived, the crossings stopped, he said.

But after the troops left un-



Note: Due to the scale of the map, some gaps in the border fence may not be visible.
Sources: Revealed from The Center for Investigative Reporting and OpenStreetMap contributors (border fence); Oak Ridge National Laboratory's LandScan population data (population density)

THE WALL STREET JOURNAL.

der the Bush administration, he said a smaller number of people began traipsing across his land once more. Mr. Chilton said he believed many were armed drug smugglers.

Immigrant-rights groups

and other residents here worried the National Guard deployments were unnecessary and dangerous—and some of them say the community already had plenty of Border Patrol agents around.

Oklahoma Teachers to End Their Nine-Day Walkout

By MICHELLE HACKMAN

Most Oklahoma teachers will return to school on Friday, putting an end to a nine-day strike that resulted in pay raises and boosted state funding for education.

The demonstrations, which sent teachers by the tens of thousands to the state Capitol each day schools were closed, represented the strongest labor action the conservative state has seen in several decades.

The threat of a strike initially prompted legislators to give the teachers a \$6,000 average raise this year and add nearly \$500 million in education funding. During the subsequent walkout, the Legislature passed several other revenue increases to benefit education, including a new tax on online sales and an expansion of the types of games permitted at casinos.

Oklahoma was the second state to hold a prolonged, statewide teachers strike just



this year, after West Virginia, and with educators threatening imminent work stoppages in Kentucky and Arizona, it will likely not be the last.

Oklahoma Education Assoc-

ciation President Alicia Priest, representing the state’s largest teachers union, made the announcement at a news conference in Oklahoma City Thursday afternoon. She said a large

majority of members believed continuing the strike wouldn’t produce any further results.

“While the walkout is ending today and we are going back to school, we are not just

giving up and going home,” Ms. Priest said, saying the union would launch a three-year campaign to pressure lawmakers to vote for additional funding increases.

The threat of a strike last month prompted the Republican-dominated Legislature to pass legislation awarding teachers a raise this year, funded through new taxes on the oil and gas industry. The Legislature also raised overall education funding through a combination of new taxes.

That was particularly noteworthy because Oklahoma requires 75% of lawmakers to approve tax increases, making them rare, and much of the state’s existing revenue comes from its dominant energy sector.

The teachers opted to strike anyway, demanding that the Legislature award them a \$10,000 overall pay increase and reverse additional cuts it had made to the state’s education budget. Oklahoma’s education funding has fallen by

28% since the 2008-09 recession, making it the steepest cut in the country, according to the liberal-leaning Center for Budget and Policy Priorities.

Gov. Mary Fallin congratulated Republicans for passing what she called a historic pay raise and chided teachers for their prolonged strike despite what she viewed as the Legislature’s generosity.

“I am very proud that Republican lawmakers have led the way on increasing educational expenditures for Oklahoma’s students this session,” she said.

The strike angered many lawmakers, who appeared increasingly unwilling to pass additional sources of revenue. One Republican legislator lamented teachers’ “stinking” behavior in a since-deleted Facebook video.

Teachers in a Facebook group with over 73,000 members vowed to continue protesting despite their union’s wishes.

District Drops Plan to Name School After Blackstone CEO

By TAWNELL D. HOBBS

Blackstone Group LP CEO Stephen Schwarzman has dropped his stipulation that his high school be renamed after him as a condition for his \$25 million gift, the largest known gift to an individual public school.

The condition, which wasn’t disclosed when Mr. Schwarzman announced his gift in February, ran into objections from the community in Abington, Pa., after the school board disclosed it last month. Plans for the gift include paying for a major renovation at Abington Senior High School, where Mr. Schwarzman graduated in 1965, and adding a new science and technology center.

An initial pledge agree-

ment, approved last month by the school board, outlined stipulations for the deal.

One condition in particular, renaming the school Abington Schwarzman High School, evoked concern by some community members who said it was done without public input and called it “unnecessary and extreme” in an online petition to keep the old school name.

Mr. Schwarzman withdrew the naming proposal when objections were raised. The board rescinded its vote on the initial agreement on Tuesday. A revised agreement will be considered on April 24.

“The naming was inconsequential, which is why he immediately withdrew the proposal,” said Blackstone spokeswoman Christine An-

derson. “When asked to help his alma mater, Mr. Schwarzman agreed wholeheartedly. His intent was singularly to support the school’s desire to improve student preparedness.”

The revised agreement includes naming the planned center the Stephen A. Schwarzman Center for Science and Technology.

Other changes include omitting a previous stipulation to name “additional spaces” for Mr. Schwarzman’s twin brothers and limiting Mr. Schwarzman’s participation in the planning, design and construction of the building to semiannual written reports provided by the district.

The initial agreement gave him the right to participate in person or by phone.

Mississippi Orders Bridges Closed

By CAMERON McWHIRTER

The state of Mississippi’s bridges are in such bad shape that the governor has ordered at least 102 closed this week.

Mississippi Gov. Phil Bryant, a Republican, issued an emergency declaration, authorizing the Mississippi Department of Transportation workers to shut down the bridges. The department began notifying counties Thursday to shut down the bridges within 24 hours or the state would step in, according to officials.

The dilapidated bridges “create extreme peril to the safety of persons and property,” the governor said in the order. If the bridges aren’t closed, the Federal Transportation Administration has threatened to withhold funding to the state, according to Melinda McGrath, MDOT’s executive director.

The move follows an April 5 letter to Mr. Bryant from Bran-

dye Hendrickson, acting administrator of the Federal Highway Administration, which listed bridges that inspectors determined to be unsafe. The state must close unsafe bridges immediately or the administration “will be compelled to follow-up with

102

Mississippi bridges to be shut down because of safety concerns

consequential actions,” she wrote. Mississippi was the only state to receive a letter recently, said a spokesman for the U.S. Department of Transportation, which oversees the highway administration.

Mississippi’s bridge problems mirror the nation’s. As of the end of 2017, 54,560 out of

615,002 bridges nationwide were determined to be “structurally deficient” by the Federal Highway Administration, meaning the bridge needed significant repair. The American Society of Civil Engineers has estimated it would cost \$123 billion to repair all the nation’s bridges. In March 2017, the society issued its “Infrastructure Report Card”—released every four years—and gave U.S. infrastructure an overall grade of “D+”—below standard.

President Donald Trump has said that fixing the nation’s infrastructure is a priority. But his top infrastructure adviser quit last week and his funding plan—involving \$200 billion over 10 years—has little chance of getting through the Republican-controlled Congress before the midterm elections.

Mr. Bryant’s proclamation hits 16 of the state’s 82 counties but also said it would include “other parts of the state” if bridges are found unsafe.

U.S. NEWS

Pressure Facing Rosenstein Intensifies

GOP leaders say the Justice Department hasn't turned over requested documents

BY ARUNA VISWANATHA AND BYRON TAU

WASHINGTON—A dispute between Congress and the Justice Department about access to law-enforcement documents has further ratcheted up pressure on Deputy Attorney General Rod Rosenstein, who is already a target of President Donald Trump's criticism.

The president and his allies have accused Mr. Rosenstein of stonewalling Congress and allowing special counsel Robert Mueller's investigation into alleged Russian meddling in the 2016 presidential election to stray beyond its scope. While leaders in both parties have publicly said Mr. Mueller should be allowed to finish his work, some Republicans have increasingly directed their ire at Mr. Rosenstein.

Mr. Rosenstein, who appointed Mr. Mueller and over-

saw his investigation, is in an increasingly precarious position in Washington—with few allies inside of the administration or on Capitol Hill. This week, one Republican House chairman threatened to try to impeach Mr. Rosenstein over an impasse over congressional access to documents related to the Russia probe—an unusual confrontation between a senior Republican and a high-level official in the administration of his own party.

Justice Department officials have said that requested documents—involving grand-jury secrecy and other information—need to be redacted, making it time-consuming to review. The agency has put dozens of employees on the project to move it along, officials said.

Mr. Trump, who appointed Mr. Rosenstein last year, disparaged the deputy attorney general in a tweet on Wednesday, writing he was conflicted and linking him to the “Fake & Corrupt Russia Investigation.” Later Wednesday, Mr. Trump directed his Twitter followers to Sean Hannity’s Fox News program, where a lawyer close to



Some Republicans have recently directed their ire at Deputy Attorney General Rod Rosenstein.

Mr. Trump urged Attorney General Jeff Sessions to dismiss Mr. Rosenstein.

“Jeff Sessions now has an obligation to the president of the United States to fire Rod

Rosenstein,” said Joseph diGenova, who briefly served on Mr. Trump’s legal team.

The immediate cause for concern was an FBI raid of Mr. Trump’s personal lawyer’s of-

fice on Monday, which Mr. Rosenstein authorized before a federal judge signed off on it. Mr. diGenova called the search targeting Michael Cohen “unconstitutional and unprofes-

sional.”

The increasing attacks on Mr. Rosenstein have alarmed many Democrats who see it as a prelude to firing Mr. Mueller and installing someone else to supervise the Russia investigation.

“The road to firing Mueller goes through Deputy Attorney General Rosenstein,” said Sen. Sheldon Whitehouse (D, R.I.).

On Capitol Hill, the primary dispute with the Justice Department is over thousands of pages of documents that have been subpoenaed by several Republican-run congressional panels.

The House Intelligence Committee has subpoenaed documents related to the opening of a counterintelligence investigation into Mr. Trump’s 2016 campaign. Separately, Rep. Bob Goodlatte (R, Va.), chairman of the House Judiciary Committee, has pressed the Justice Department to turn over documents related to the 2016 investigation into Democratic presidential candidate Hillary Clinton’s private email server and information about a warrant used to obtain a surveillance order against an adviser to Mr. Trump.

Comey Book Slams ‘Deeply Flawed’ Leader

BY ERICA ORDEN

Former FBI Director James Comey describes President Donald Trump as a “deeply flawed person and leader” in a new memoir that also compares him to a Mafia boss and characterizes his presidency as a “forest fire,” according to a copy reviewed by The Wall Street Journal.

The book, “A Higher Loyalty,” is scheduled for release Tuesday. Mr. Comey was fired by Mr. Trump in May of last year and since then has been the subject of frequent criticism by Mr. Trump on Twitter. Mr. Comey accuses Mr.

Trump of “leading through fear” and demanding personal loyalty above all else. And Mr. Comey says he told former President Barack Obama in an Oval Office meeting shortly after the election, “I dread the next four years.”

Mr. Comey in the book defends his decisions surrounding his controversial series of disclosures of the Hillary Clinton email investigation in the final weeks and days of the 2016 presidential election cycle. Mr. Comey suggests that he feared that withholding information from the public could have made Mrs. Clinton an “illegitimate president.”

The White House didn’t immediately respond to a request for comment. The administration, however, is preparing to counter the criticisms of Mr. Trump. At the White House’s urging, the Republican National Committee has drafted talking points for surrogates on the book and is preparing a rapid-response operation, according to people familiar with the matter.

One person familiar with the White House’s thinking on the Comey book said in an interview Thursday: “The president has been very clear what he thinks of James Comey. He has politicized investigations,

leaked confidential material and lied under oath.”

In the book’s discussion of the Clinton probe, the former FBI director accuses then-Attorney General Loretta Lynch of effectively siding with the Clinton campaign in directing him, in his initial public comments at an event with reporters in October 2015, to play the probe down by calling it a “matter” instead of using the word “investigation.” “The FBI didn’t do ‘matters,’ ” he says.

Recalling the first time he met Mr. Trump—when he went to Trump Tower to brief the president-elect on the dossier written by former British spy

Christopher Steele—Mr. Comey writes that he was alarmed by Mr. Trump’s behavior.

After Mr. Comey disclosed some of the dossier’s allegations to the president-elect, including the assertion that Mr. Trump had engaged prostitutes in a Moscow hotel in 2013, Mr. Trump asked if he seemed like someone who required the services of prostitutes and launched into a recollection of cases in which women had accused him of sexual assault.

To curb Mr. Trump’s reaction, Mr. Comey writes, he told Mr. Trump that, “we are not investigating you.”

White House Rethinks TPP to Counter China

BY MICHAEL C. BENDER

WASHINGTON—A little over a year after withdrawing the U.S. from the Trans-Pacific Partnership, President Donald Trump has asked his top economic advisers to study the possibility of re-entering the trade pact negotiations.

Mr. Trump has deputized Robert Lighthizer, the U.S. trade representative, and Larry Kudlow, the director of the National

Economic Council, to study the possibility of re-entering the TPP if the terms were favorable, the president told a group of lawmakers on Thursday.

“Would only join TPP if the deal were substantially better than the deal offered to Pres. Obama,” Mr. Trump said in a tweet Thursday night.

The president’s new openness toward the TPP, which he had said during his campaign was a deal “pushed by special

interests who want to rape our country,” comes as he is facing criticism from farmers and looking for allies in his escalating trade battle with China. Beijing had long feared that Washington would use the TPP, envisioned as having 12 members, as a way to try to contain China economically.

“You can explain this initiative entirely in the context of U.S.-China relations,” said Gary Hufbauer, a trade specialist

at the Peterson Institute for International Economics. “Trump has got to get some allies. As of now, [China’s President] Xi has the upper hand in world opinion.”

After Mr. Trump in recent weeks took aim at China with new steel and aluminum tariffs, the two nations have issued tit-for-tat retaliatory levies on various imports. Beijing responded by announcing it would place penalties on a list of agricultural products that would affect swaths of the president’s political base. Mr. Trump has since threatened tariffs on as much as \$150 billion in Chinese imports over a fight involving intellectual property. Once again, China retaliated by threatening to add levies on imports of U.S. agriculture.

Mr. Trump was meeting with lawmakers from states that rely on agriculture when he made the comments about TPP.

Trump To Pardon Cheney Aide Libby

BY PETER NICHOLAS

President Donald Trump intends to pardon I. Lewis “Scooter” Libby Jr., who was a former top aide to Vice President Dick Cheney—a step that George W. Bush refused to take, a person familiar with the matter said Thursday.

Mr. Libby, now 67 years old, was convicted in 2007 of lying to a grand jury and obstructing justice in a case that involved the leaking of the identity of a Central Intelligence Agency officer, Valerie Plame.

The White House didn’t immediately respond to a question about why Mr. Trump has chosen to pardon Mr. Libby.

Mr. Libby was sentenced to 30 months in prison. Then-President Bush commuted the sentence, describing it as “excessive.” But he didn’t issue a pardon, despite entreaties from Mr. Cheney.

In his memoir, “Decision Points,” Mr. Bush described a tense encounter with Mr. Cheney over Mr. Libby’s fate.

He instructed lawyers to review the case and hear out Mr. Libby. In the end, they told Mr. Bush they could find “no justification for overturning the jury’s verdict,” the former president wrote.

He concluded the jury’s verdict “should be respected.”

As his tenure was winding down, during one of their final meetings, Mr. Cheney asked him to reconsider.

“I can’t believe you’re going to leave a soldier on the battlefield,” Mr. Cheney said.

Mr. Bush wrote that over the previous eight years he had “never seen Dick like this, or even close to it.”

Mr. Libby’s conviction capped a four-year investigation by special counsel Patrick Fitzgerald into the leak of Ms. Plame’s CIA identity.

At a 2005 news conference, after Mr. Libby was indicted, Mr. Fitzgerald cast Mr. Libby’s obstruction-of-justice charge as serious, saying it was tantamount to throwing “sand” in the eyes of a baseball umpire.

TRADE

Continued from Page One

to 25% import tariffs. The initial hit list of \$50 billion in Chinese imports didn’t include some consumer staples such as clothing, mobile phones or shoes, to minimize consumer impact and limit domestic criticism. But trade experts say the sheer size of the expansion of the hit list makes the inclusion of consumer goods inevitable.

At the same time, the Treasury Department is crafting sharp prohibitions on Chinese investment in advanced U.S. technology, whether by acquisition, joint ventures, licensing or any other arrangement, according to a senior administration official. The agency is targeting China’s subsidization of domestic industries to turn them into so-called technology national champions, the official said.

The administration is debating whether to make the investment restrictions permanent, even if China changes its industrial policies, the official said. The restrictions then could be used to make sure China carries out pledges and would warn other countries not to mimic Chinese behavior. The Treasury is expected to devise a plan by early June.

The actions come as administration officials argue the Chinese are already bending to the U.S.’s will. They point to a speech on Tuesday by Chinese President Xi Jinping, who promised to roll out measures this year to lower tariffs on imported cars and to ease foreign ownership restrictions on auto makers in China.

“It was the most conciliatory thing we’ve heard since the whole discussion began,” said a White House official.



Chinese officials privately acknowledge that trade threats from Washington are leading them to accelerate their plans to liberalize.

“Up to then, it was mean, nasty, cruel name-calling.”

Business groups in Washington have been lobbying hard, telling the White House that tariffs are counterproductive. But administration officials have come to the opposite conclusion: They believe the threats are working. “China basically surrendered [with the Xi speech] and he [Trump] is probably going to put even more pressure on them before he accepts whatever their bottom line becomes,” said a person familiar with White House views.

Publicly, Chinese officials deny they are bending to Washington’s pressure, but privately, they acknowledge that the trade threats are leading them to accelerate their plans to liberalize.

Beijing levies a 25% import

tariff on vehicles, compared with the U.S. 2.5% tariff—an imbalance Mr. Trump has repeatedly attacked, even though the U.S. has its own 25% tariffs on pickup trucks.

Beijing also requires foreign car makers to enter into a 50%-50% partnership with Chinese companies to set up plants. Chinese officials said the auto tariff would be reduced and the ownership cap would be lifted gradually, adding they might lift the cap within three to five years.

While that might seem slow to U.S. officials, such a timetable would require Beijing to take on powerful local interests, including state-owned firms. “Pressure from the U.S. is providing an impetus to the need for change,” said a Chi-

nese official.

Resistance to such change was on display at a closed-door panel discussion Tuesday at the high-level Boao Forum, where politicians mingle with business leaders. China’s former commerce minister, Chen Deming, said at one panel that if Beijing were to make concessions in the auto sector, it should ask Washington for similar concessions in return, said people familiar with the discussions.

Both sides are gearing up for a lengthy fight. When Mr. Trump announced the additional tariffs on \$100 billion in goods on April 5, many trade experts dismissed it as simply talk. But officials said that it had been discussed earlier with U.S. Trade Representative Robert Lighthizer, Treasury Secre-

tary Steven Mnuchin and White House trade adviser Peter Navarro, among others.

According to the Trump White House, the U.S. had been judicious in its initial threat of tariffs on \$50 billion in Chinese goods, which equals about 10% of Chinese merchandise exports to the U.S. of \$506 billion. China quickly retaliated with its own \$50 billion threat, but that equals 38% of the U.S.’s \$130 billion in exports to China. The additional \$100 billion in goods targeted for retaliation was meant to even the score—about 30% of China’s goods exports to the U.S. were subject to tariffs, U.S. officials said. China said it would retaliate for these levies too but wasn’t specific.

—Peter Nicholas

contributed to this article.

WORLD NEWS

West's Curbs on Russia Don't Deter Trade

Surge in business with Germany, France, U.S. illustrates limits on efficacy of sanctions

By ANDREA THOMAS

BERLIN—Trade has surged between Russia and its main Western antagonists even as relations have deteriorated, raising questions about the long-term impact of economic sanctions on Moscow.

The U.S. and Europe's largest nations, including France and Germany, saw exports to and imports from Russia skyrocket in 2017 after three years of decline. Both now stand at their highest levels since 2014, the year Russia invaded Ukraine and annexed Crimea, prompting the U.S. and its European allies to impose curbs.

The turnaround could be short-lived. After Washington this month unveiled fresh sanctions against senior Russian government officials and companies in the latest U.S. retaliation against Moscow's election meddling, markets tanked in Russia and several Western companies with operations there began reconsidering their investments.

As Russia emerged from recession to post 1.6% growth in gross domestic product last year, total trade between the EU and Russia rose 17.9% from 2016, to \$285.8 billion. The U.S. saw its trade with Russia rise by 12.5% that year. Investment from some European countries has also risen sharply.

But last year's renaissance still poses serious questions about the effectiveness of such



A reach stacker carried a shipping container in a storage area operated by TransContainer PJSC in Kaluga, Russia, on April 9.

punitive measures. While sanctions can inflict much damage in the short term, their potency wanes as businesses, and in some cases governments, work to circumvent the barriers and rebuild economic ties.

In the wake of the Ukraine crisis, the U.S. and the European Union imposed sanctions on Russia that targeted the defense, energy and financial sectors, as well as specific individuals involved in or benefiting from Crimea's annexation. Russia reacted with a ban on Western food imports.

There are three types of

Western sanctions: The first ones restrict access to Western financial markets and services for Russian state-owned companies in the banking, defense and energy sectors. The second type bans exports to Russia of special high-technology oil-exploration and production goods. The third forbids the exports of special military and dual-use goods to Russia.

Initially, the sanctions worked, compounding the effect of weak oil prices and accelerating a sharp drop in the ruble's exchange rate. In 2015, trade between the EU and Russia fell more than 25%.

The rebound in commercial activity is particularly jarring because political relations between the two sides markedly deteriorated last year. Accusations of Russian meddling in the 2016 U.S. presidential election have been poisoning the rapport between Washington and Moscow. European countries and the U.S. recently expelled scores of Russian diplomats after the U.K. blamed Moscow for the attempted killing of a former Russian double agent using nerve gas.

Relations could worsen even more after Western criticism of Russian policy in Syria

intensified following the latest chemical-weapon attack there this week. President Donald Trump on Wednesday warned Russia of reprisals for shooting down missiles fired at Syria, but adding in another tweet that "Russia needs us to help with their economy."

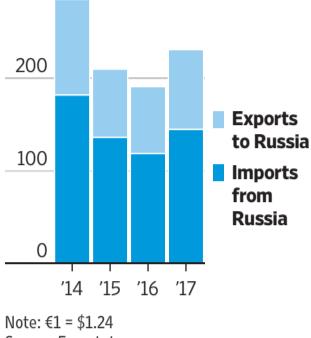
But Burkhard Dahmen, chief executive of German plant-construction and mechanical-engineering company SMS Group GmbH, said "our business hasn't suffered from the sanctions." SMS has closed more than a dozen deals there since 2017.

In one example of how the

Open for Business

Trade between the EU and Russia rose for the first time since the bloc imposed sanctions on the country in 2014.

€300 billion



THE WALL STREET JOURNAL.

sanctions' potency seemed to wane, China briefly overtook Germany as Russia's top supplier of machinery and capital goods in 2016 but lost its position again a year later, Germany's VDMA engineering association said.

Trade is only the most visible aspect of the economic links between Europe and Russia. Another one is investment, which doesn't appear in import-export statistics. German direct investment in Russia surged to \$1.08 billion in the first three quarters of 2017 from \$274 million in all of 2016, according to Bank of Russia statistics. France's investments in Russia rose to \$524 million during the period from \$438 million.

—James Marson in Moscow and Stefan Lange in Berlin contributed to this article.

◆ Banks flee companies on new sanctions list..... B1

Chemical-Weapons Watchdog Backs U.K. on Identity of Nerve Agent

By JENNY GROSS

LONDON—The global chemical-weapons watchdog confirmed in a report Britain's analysis of the type of nerve agent used in the poisoning of former Russian double agent Sergei Skripal and his daughter.

The Organization for the Prohibition of Chemical Weapons, which conducted its inquiry at the request of the U.K. government, analyzed samples collected by U.K. authorities from Mr. Skripal, his daughter, Yulia, and a police officer who was exposed to the nerve agent. They were poisoned in early March in the English city of Salisbury.

The nerve agent used in the attack was of "high purity," said the OPCW, an international agency that monitors the use of chemical weapons. People close to the investiga-



After the OPCW report, Britain said only Russia had 'means, motive and record' to carry out attack.

backed Britain's assessment that it was highly likely Russia was responsible for the attack, and last month the U.S., Canada and more than a dozen European countries expelled scores of Russian diplomats in response. The Kremlin has denied any involvement.

Russian Foreign Ministry spokeswoman Maria Zakharova repeated Moscow's position that it wants a joint investigation into the chemical attack and said it wouldn't accept the OPCW's conclusions until Russian experts had access to materials the organization tested. She said Moscow didn't know under what conditions the samples were taken.

The OPCW's report's conclusions raise "questions among Russian experts and of course demand additional detailed analysis," she said.

Russian Trade and Industry Minister Georgy Kalamanov on

Thursday repeated Moscow's assertion that it had declared and completed the destruction of its chemical-weapons stockpiles last year in coordination with the OPCW.

"All stocks of chemical weapons were declared to the Organization for the Prohibition of Chemical Weapons," he told Russian news agency Interfax. Russia has said the U.K. hasn't provided any evidence linking Moscow to the poisoning.

The Novichok class of nerve agents was developed in the Soviet Union and its existence was revealed in the early 1990s by a dissident Russian scientist.

U.K. officials said Russia has produced Novichok in the past decade, violating chemical-weapons treaties, and that there is no other explanation than that Moscow is responsible.

ECB Fear Points to Caution In Timing of Rate Increases

By TOM FAIRLESS
AND WILLIAM HOROBIN

FRANKFURT—The European Central Bank is fretting about the risk of trade wars and a stronger euro just as data suggest the eurozone's long-awaited economic recovery is losing speed.

ECB officials warned at their March policy meeting of multiple threats to the region's export-focused economy, including possible trade conflicts triggered by the U.S. administration, volatile financial markets and the U.K.'s withdrawal from the European Union, according to minutes of the meeting published Thursday.

The ECB's warnings, together with unexpectedly weak factory-output data released Thursday, suggest the central bank will move only cautiously to phase out its giant bond-buying program and follow the Federal Reserve in raising interest rates.

The euro fell around half a cent against the dollar after the ECB's minutes were published, to \$1.2301, as investors bet the ECB would continue its easy-money policies. The yield on German 10-year government bonds fell below 0.5%. Yields fall as prices rise.

The ECB's policy delibera-



Economist Peter Praet, left, confers with ECB chief Mario Draghi.

tions are being closely watched by global investors because the bank's key interest rate—currently minus 0.4%—affects a broad swath of market rates and asset prices.

While officials took a small step at the March meeting toward phasing out their bond purchases, known as quantitative easing, they also called for "prudence, patience and persistence" in reducing their stimulus further.

Many analysts expect the ECB to phase out QE, currently running at €30 billion (\$37.1 billion) a month, by the end of this year, and to start raising interest rates around the second quarter of next year.

"The minutes strengthen us

Get 3 End-of-Era Silver Half Dollars

Recall the bygone era of 90% silver coinage and SAVE Over 75%!

This End-of-Era Set gives you three silver half dollars with designs spanning over a century: Liberty Walking (1916-47), Franklin (1948-63) and Kennedy (1964-date). **SAVE Over 75% plus FREE Shipping!** Order your End-of-Era 3-Coin Set now for ONLY \$19.95 and SAVE Over 75% OFF the regular price of \$85.95 with FREE shipping. Plus, respond within 30 days and get a FREE Uncirculated 2017-P Lincoln cent—the only "P" mint mark cent in U.S. history, and never to be minted again! You'll also receive our fully illustrated catalog, plus other fascinating selections from our Free Examination Coins-on-Approval Service, from which you may purchase any or none of the coins—return balance in 15 days—with option to cancel at any time. **Order now and save!**

Mail coupon today or visit www.LittletonCoin.com/specials

Liberty Walking — among our most beautiful and revered coin designs*

1964 Kennedy — from the only year of 90% silver circulating Kennedy halves

Franklin — the last half dollar series struck every year in 90% silver*

Special Offer for New Customers Only

Please send me the End-of-Era 3-Coin Set for ONLY \$19.95—regularly \$85.95, plus FREE shipping (limit 1 set). Also send my **FREE** Uncirculated 2017-P Lincoln cent (one per customer, please).

ORDERS MUST BE RECEIVED WITHIN 30 DAYS

Add Custom 20th Century Type Display Folders for \$2.95 ea. (regularly \$3.49) and **SAVE 15%!**

Name _____ Please print clearly

Address _____ Apt# _____

City _____ State _____ Zip _____

E-Mail _____

YES!

Yours Free!

Order within 30 days and get a **FREE** Uncirculated 2017-P Lincoln cent—the only "P" mint mark penny in U.S. coinage history!

45-Day Money Back Guarantee of Satisfaction

America's Favorite Coin Source • TRUSTED SINCE 1945

Check payable to Littleton Coin Co.

Charge my: VISA MasterCard American Express Discover

Card #: _____ Exp. Date: /

Please send coupon to:
Littleton Coin Co., Dept. 4SR401
1309 Mt. Eustis Rd., Littleton NH 03561-3737

in our belief that June 2019 will be the earliest possible date for a rate hike, and chances are high that it will be even later," said Carsten Brzeski, an economist with ING in Frankfurt.

Industrial production in the currency union unexpectedly fell by 0.8% on the month in February, marking a third straight month of declines, data from the European Union's statistics agency showed Thursday. Other recent indicators pointing to a slowdown include surveys of purchasing managers at manufacturers, retail-sales data, and barometers of confidence among households and businesses.

WORLD NEWS

Murder Trial Rekindles Fears in Myanmar

By NIHARIKA MANDHANA

YANGON, Myanmar—In January last year, Ko Ni, a prominent adviser to leader Aung San Suu Kyi and vocal advocate for a diminished military role in an evolving Myanmar, was fatally shot in the head at Yangon International Airport.

As the trial of four men charged in the killing enters its final stages, persistent uncertainty about who was responsible has come to symbolize Myanmar's difficulty in completing a long-awaited transformation to democracy from military rule.

Two of the accused are former military personnel; police say a former lieutenant colonel, who remains at large, planned the attack, motivated by his opposition to Mr. Ko Ni's politics.

But 15 months after the shooting, questions linger about why the 63-year-old expert in constitutional law was killed and whether every culprit has been identified. One of the nearly 80 witnesses to testify has suggested powerful people were behind the men now on trial. The Home Affairs ministry attributed the killing to "extreme nationalism," but offered no further details.

"This is not what we expected a democratic Myanmar to look like," said Myat Aye, an activist who was with Mr. Ko Ni at the airport the day of the killing and says he has received death threats because of his political and advocacy work. "We expected to see a multicultural society, the rule of law, political stability—that hasn't happened."

A high-ranking military officer said last year that the military wasn't involved in the shooting. Military representatives didn't respond to requests to comment for this article.

Some diplomats and rights advocates said the murky details in Mr. Ko Ni's case echo the pervasive fear and insecurity felt by civil-society groups, democracy activists, independent journalists and religious minorities in Myanmar.



Mourners carry the coffin of Ko Ni, a top adviser of Aung San Suu Kyi, below. Four men are on trial in the 2017 killing of Mr. Ko Ni, an advocate for the Muslim minority.



Democratic Goals Fade in Crackdown

Myanmar leader Aung San Suu Kyi leads an elected government that took office in 2016 after long dominance by the military, which held on to key levers of power. She is facing criticism for choosing not to oppose military operations last year that drove 700,000 members of the Rohingya

Muslim minority into Bangladesh. The U.S. and European Union are considering sanctions against the military.

The Rohingya purge has effectively ended the momentum many had hoped would help Ms. Suu Kyi turn Myanmar into a full democracy and bring the military under civilian control. Her aides say they worry the military could seize full control of the government if sanctions are imposed.

Ko Ni had been a key figure in the democratization effort.

Nay La, a college friend of Mr. Ko Ni who is the legal representative for his family in the trial, said his friend—who had regularly received death threats—had told him a few months before he was shot that if he was targeted, he hoped for a quick death.

Mr. Nay La said he believes the defendants weren't acting alone and that parts of the trial testimony point to the involvement of others.

Mr. Sann Aung, the lawyer, who is Muslim, said he has received two dozen threatening phone calls in recent months, with warnings such as: "Stay away from the case if you want to live."

During a recent hearing, a small group of men gathered in the court compound wearing T-shirts that read "Eat Well," which translates to a threat in the Burmese language meaning a person is going to die soon.

"There's so much hate speech right now," a Western diplomat said of the current climate in Myanmar. "There's just a feeling of having to look over your shoulder."

Lawyers for Mr. Ko Ni and for a taxi driver who was killed by the fleeing gunman have also received death threats. One of Ms. Suu Kyi's aides said the killing of Mr. Ko Ni was a warning to her camp to "stay within the boundaries."

Mr. Ko Ni was instrumental in creating the post of state counselor for Ms. Suu Kyi, an innovation that allowed her to become the country's de facto leader after the military banned her from becoming president.

He was also a Muslim in a Buddhist-majority country

that has been experiencing a wave of religious nationalism stoked by extremist monks like the Venerable Ashin Wirathu, who is known for anti-Muslim speeches and expressed support for Mr. Ko Ni's killers last year.

"This wasn't a murder in the dark in some private place," said Robert Sann Aung, the lawyer representing the slain taxi driver's family. "The way it was done publicly, it was a message: 'Anyone can be killed anywhere.'

The attack took place on

Jan. 29, 2017, around 5 p.m., at Yangon's international airport, where Mr. Ko Ni had just returned from Indonesia. A man walked up to him as he waited for his car and shot him in the back of the head at close range, killing him. His young grandson was in his arms and fell to the ground unharmed.

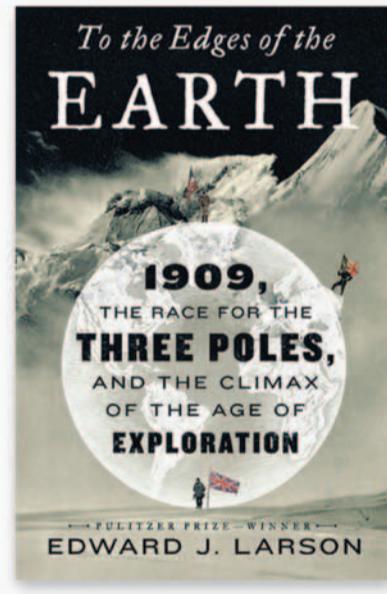
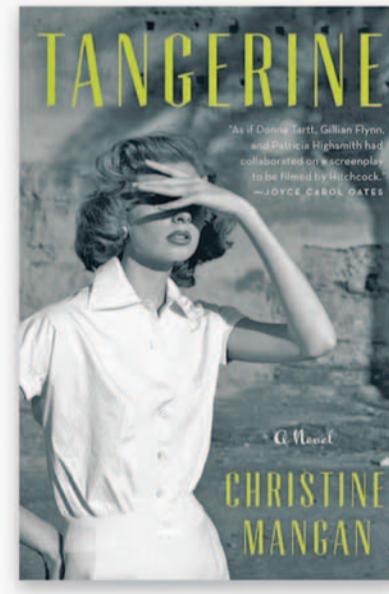
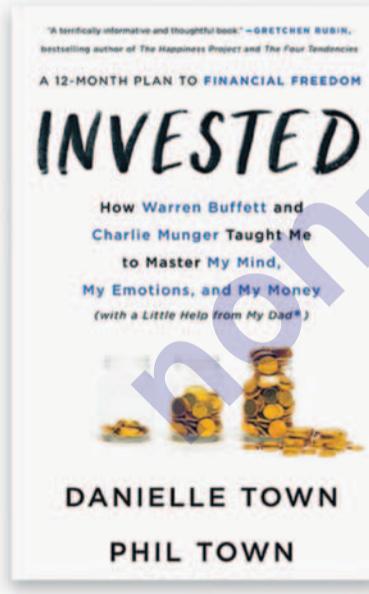
The taxi driver, Nay Win, hurled a brick at the killer, who shot him. He also died of his injuries.

The gunman, Kyi Lin, was arrested near the airport soon after and police said he later

admitted to the shooting. Mr. Kyi Lin's lawyer said he was forced to shoot Mr. Ko Ni to protect his family from threats. He has pleaded not guilty to the charge of pre-meditated murder, and applied for the charge to be reduced to murder without premeditation, his lawyer said.

Police have accused four others of roles in planning the attack. The other three men on trial have pleaded not guilty, two to murder charges and one to the charge of harboring an offender.

WSJ TALK / EXPERIENCE / OFFER / GETAWAY



Download Your Complimentary E-Book

Read ambitiously this spring with four must-read titles. From a 12-month plan to financial freedom to the musings of an accidental fashion icon—download a complimentary e-book of your choice, plus enjoy 35% off additional books.

EXCLUSIVE TO WSJ MEMBERS
DOWNLOAD NOW AT WSJPLUS.COM/APRIL-BOTM

WSJ+
INVITES + OFFERS + INSPIRATION

HarperCollins Publishers

WORLD NEWS

U.S., Allies Are Drafting Syria Plan

Trump confers with May, Macron as Mattis warns a mistake could broaden the conflict

BY DION NISSENBAUM
AND GORDON LUBOLD

WASHINGTON—Britain, France and the U.S. united around broad plans for a military strike against Syria as they worked to bridge differences over the scope and purpose of a coordinated response to a suspected chemical weapons attack, U.S. officials said.

President Donald Trump met with his national security team on Thursday to weigh military options while Syrian President Bashar al-Assad sought to limit the impact of an expected attack by moving warplanes under the protection of Russian air defenses.

While officials in all three countries said there is definitive proof that Syria used chemical weapons last weekend to kill dozens of civilians, they had yet to complete plans for a strike as the Pentagon warned about the risks of miscalculation.

Momentum had been building for a unified reprisal, especially after Mr. Trump suggested Wednesday on Twitter that a cruise missile strike was looming.

But Defense Secretary Jim Mattis injected a public note of caution into the discussion Thursday, suggesting that the allies had to carefully calibrate any strike to ensure that it didn't trigger a broader conflict with Syria's two biggest backers, Russia and Iran.

"We are trying to stop the murder of innocent people, but, on a strategic level, it's how do we keep this from escalating out of control," he told U.S. lawmakers.

Mr. Mattis brought those concerns directly to the White House on Thursday, where press secretary Sarah Huckabee Sanders said the national security team didn't agree on a response.

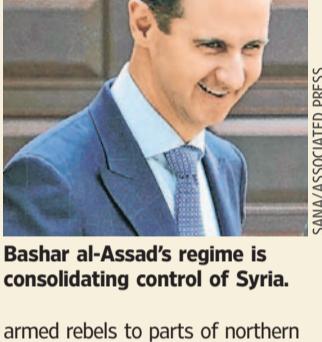
Mr. Trump spoke again Thursday night with British Prime Minister Theresa May, and he was expected to talk to French President Emmanuel Macron, as they sought agreement on a way forward. He said a decision would be made "fairly soon."

The three leaders have been working for days to agree on a response to the weekend attack that killed at least 43 people in



Evacuees fled Douma after the Syrian city was targeted in what U.S. and French officials said was a chemical attack by the government.

Assad Forces Close In on Rebel Town Hit by Chemicals



Bashar al-Assad's regime is consolidating control of Syria.

Government forces tightened their grip on the rebel-held town of Douma near the capital where the regime is accused of using chemical weapons.

Thousands of residents and rebels are leaving Douma following the suspected attack, which killed dozens of people—many of them women and children—and sickened hundreds. Rebels who were holding out agreed to a surrender and evacuation deal in the wake of the attack.

At least three convoys of buses in recent days have left Douma and taken civilians and

armed rebels to parts of northern Syria still under opposition control.

The regime of Syrian President Bashar al-Assad, backed by Russia and Iran, has carried out a military assault on the enclave of Eastern Ghouta since the

middle of February to consolidate control around Damascus. Mortar attacks and airstrikes compelled thousands to flee their homes. Douma was the final rebel holdout in Ghouta until Saturday's attack.

More than 165,000 people have left Ghouta, according to Syrian state media. The Russian defense ministry said Thursday that more than 13,500 rebel fighters and their families had evacuated Douma alone.

Russia's ministry said that Syrian forces had taken control of Douma along with Russia's military police to guarantee security and order in the city. "The situation in the city is stabilizing, the city has passed into control of the government of the Syrian Arab Republic," Interfax quoted the min-

istry as saying in a statement. Syrian state media didn't report it has taken control of the city and on Wednesday said the exit of Jaish al Islam rebels and their families was continuing.

The Syrian Observatory for Human Rights reported that a brief exchange of gunfire broke out Thursday when a group of regime forces along with negotiators and Russian journalists entered Douma and raised the Syrian flag. The group chanted in support of the Assad regime.

Rebels opened fire on the group, injuring a few people including two journalists, forcing the group to leave the city immediately, according to the Observatory.

—Raja Abdulrahim and Thomas Grove.

a Damascus suburb.

Mr. Macron said Thursday there was proof that Mr. Assad used chemical weapons. Two U.S. officials said aid groups working in Syria had collected the most definitive evidence yet: Urine samples from victims collected at hospitals contained traces of chlorine and a nerve agent. But the U.S. had yet to independently verify the use of chemical weapons, Mr. Mattis told lawmakers.

U.S. officials said Mr. Mattis had been raising concerns for days about the risks of an expansive attack on Syria that might accidentally kill Russians working with Syrian forces.

Russia repeatedly has warned the U.S. that it might strike back if Mr. Trump decides to hit Syria.

The U.S. was considering strikes on several Syrian airfields and suspected chemical weapons storage sites, but Mr.

Assad was moving to protect his air force by moving planes to a Russian-operated base equipped with sophisticated air defenses, according to pro-regime media.

Russia's ambassador to the United Nations, Vassily Nebenzia, warned Thursday that there was a danger war could escalate beyond Syria because of Russia's military presence.

"We cannot exclude any possibilities [of war between Rus-

sia and the U.S.] unfortunately because we saw messages that are coming from Washington," Mr. Nebenzia said.

Russia asked for an open Security Council emergency meeting Friday and called for U.N. Secretary-General António Guterres to brief the council.

—Raja Abdulrahim in Beirut, Nancy A. Youssef and Farnaz Fassihi at the U.N. contributed to this article.

investors expected, and he considers spinoffs more likely.

In October, Mr. Flannery promised to sell \$20 billion worth of assets. So far GE has announced a handful of deals totaling less than \$4 billion. The company's cen-

tury-old GE Lighting division has been on the auction block for more than a year. In January, Mr. Flannery said he was considering separate structures for the core divisions—health care, aviation and power—in what would amount to a breakup of the industrial giant.

Rather than breaking off units to make smaller companies, GE is now considering deals that would build bigger businesses that are better positioned in their sectors, the people familiar with the matter said. They point to Baker Hughes, an oil-field services company that GE combined with its own oil-and-gas operations, and the Dow-DuPont deal that combined two formidable businesses and opened the way to the creation of three different companies.

GE is exploring the structural changes to narrow its focus, improve its profits and better deploy its limited resources, Mr. Flannery says. Using spinoffs and retaining stakes, however, won't necessarily translate to success if the businesses themselves don't turn around and that can take time, analysts say.

Some are concerned that parting with too many industrial assets could leave the company too exposed to the liabilities and debts that remain in its GE Capital arm.

"GE should have sufficient liquidity through '20 to meet its projected cash outflow commitments," said Bank of America Merrill Lynch analyst Andrew Obin in a note to clients this week. But he added: "There is little room for error from the execution standpoint or another sizable charge at GE Capital."

GE has a mixed record on deal making, and simplifying the conglomerate may take years. Investors have different views on whether man-

agement is moving fast enough. Some say uncertainty about strategy and future structure has depressed the stock price. Other investors argue GE should avoid a fire sale of assets since it doesn't face a liquidity crunch.

People close to Mr. Flannery say he is being methodical and measured in his approach to making changes. There is a sense of urgency in the process, but GE also has access to cash and most of its major businesses are performing well, these people said.

GE has a history of divesting itself of businesses in phases. It sold its media business, NBCUniversal, to Comcast Corp. in several steps.

Its consumer-finance unit, Synchrony Financial, went public in 2014 and GE sold its

last shares in late 2015.

GE combined its Oil & Gas division with Baker Hughes in July 2017 to form a new public company with a former GE executive as CEO. GE said in November it would look to exit from Baker Hughes but changed course

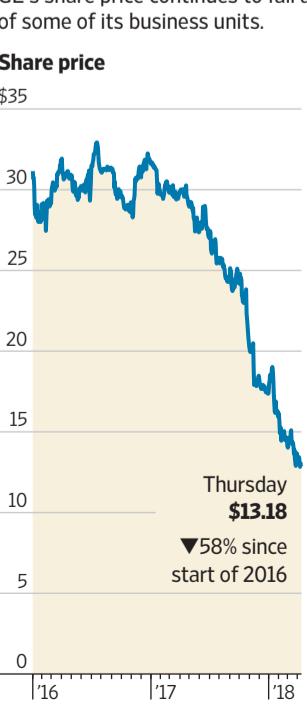
in February, saying it wouldn't consider selling its majority stake before 2019.

Shares of Baker Hughes have fallen about 15% since the deal with GE was completed.

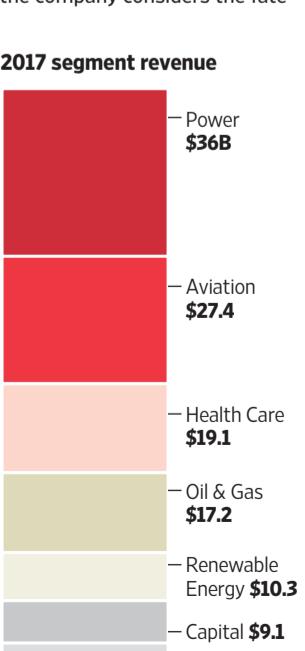
Fear of the Unknown

GE's share price continues to fall as the company considers the fate of some of its business units.

Share price



2017 segment revenue



WORLD WATCH

UNITED KINGDOM

Brexit Chief Asks EU To Respect U.K. Rules

U.K. Brexit secretary David Davis said he envisioned a future trade agreement between the U.K. and the European Union that would levy no tariffs and relied on each side respecting the other's regulations on products and services.

Brussels says it wants a zero-tariff trade deal with the U.K. but has rejected the idea that the EU would recognize different regulatory regimes for products and services set in the U.K.

Speaking at The Wall Street Journal's CEO Council in London, Mr. Davis said: "The balancing act that I have to deal with is how do we give control back to Parliament and eventually back to the people...and at the same time maintain a trading relationship with the Europeans."

He said to achieve this, the U.K. favored a system where London would have the ability to set different product and services regulations from the EU. However, in some sectors where U.K.-EU trade is important, both sides would agree to recognize each other's regulations. An independent arbitrator would settle any disputes.

—Jenny Gross

INDONESIA

Floggings to Move Out of Public Sight

Floggings carried out under Islamic law will no longer be held in public or be allowed to be recorded in an Indonesian province where Christians, homosexuals and unmarried couples have increasingly been whipped in front of jeering crowds, provincial authorities said.

The floggings will be moved into prisons, authorities said, to protect children from seeing the whippings and to prevent recordings that go viral on the internet, turning into a never-ending punishment.

The whippings in Aceh province, on the northern tip of Sumatra Island, are an extreme element of Indonesia's broader shift toward Islamic conservatism more associated with the Middle East than the more tolerant traditions of the religion in Southeast Asia. Indonesia has one of the region's strongest democracies and the multiple religions are constitutionally protected.

In Aceh, whippings are carried out by masked men swinging rattan canes in a public place, such as a stage near a mosque.

—Anita Rachman

GE

Continued from Page One

Davis of Melius Research wrote in a note to clients last month. Mr. Davis said asset sales are going slower than

investors expected, and he considers spinoffs more likely.

In October, Mr. Flannery promised to sell \$20 billion worth of assets. So far GE has announced a handful of deals totaling less than \$4 billion. The company's cen-

tury-old GE Lighting division has been on the auction block for more than a year. In January, Mr. Flannery said he was considering separate structures for the core divisions—health care, aviation and power—in what would amount to a breakup of the industrial giant.

Rather than breaking off units to make smaller companies, GE is now considering deals that would build bigger businesses that are better positioned in their sectors, the people familiar with the matter said. They point to Baker Hughes, an oil-field services company that GE combined with its own oil-and-gas operations, and the Dow-DuPont deal that combined two formidable businesses and opened the way to the creation of three different companies.

GE is exploring the structural changes to narrow its focus, improve its profits and better deploy its limited resources, Mr. Flannery says. Using spinoffs and retaining stakes, however, won't necessarily translate to success if the businesses themselves don't turn around and that can take time, analysts say.

Some are concerned that parting with too many industrial assets could leave the company too exposed to the liabilities and debts that remain in its GE Capital arm.

"GE should have sufficient liquidity through '20 to meet its projected cash outflow commitments," said Bank of America Merrill Lynch analyst Andrew Obin in a note to clients this week. But he added: "There is little room for error from the execution standpoint or another sizable charge at GE Capital."

GE has a mixed record on deal making, and simplifying the conglomerate may take years. Investors have different views on whether man-

agement is moving fast enough. Some say uncertainty about strategy and future structure has depressed the stock price. Other investors argue GE should avoid a fire sale of assets since it doesn't face a liquidity crunch.

People close to Mr. Flannery say he is being methodical and measured in his approach to making changes. There is a sense of urgency in the process, but GE also has access to cash and most of its major businesses are performing well, these people said.

GE has a history of divesting itself of businesses in phases. It sold its media business, NBCUniversal, to Comcast Corp. in several steps.

Its consumer-finance unit, Synchrony Financial, went public in 2014 and GE sold its

last shares in late 2015. GE combined its Oil & Gas division with Baker Hughes in July 2017 to form a new public company with a former GE executive as CEO. GE said in November it would look to exit from Baker Hughes but changed course

in February, saying it wouldn't consider selling its majority stake before 2019.

Shares of Baker Hughes have fallen about 15% since the deal with GE was completed.

GE is now considering deals that would build bigger businesses.

SVAGO™

SIT LIKE AN ASTRONAUT

Relieve Back Pain

Feel tension melt away in the zero gravity position!

844-697-8246

Svagorelief.com 844-MY-SVAGO

Order before April 20th to receive exclusive offers:
Free Shipping • 30 Day Risk Free Return

IN DEPTH

FUND

Continued from Page One
bigger investments merely copying American technologies. For startups, the big increase in Asian funds also makes more cash available to finance new technology.

The surge also positions Asia's investors to win stakes in markets that Western companies covet, or that have national security implications. The U.S. government has grown increasingly uneasy about Chinese advances in key technologies such as artificial intelligence.

The expanding pool of venture capital from the East "is powerful rocket fuel for innovative activity," says Josh Lerner, a Harvard Business School professor and expert on venture financing. "If you think that being the locus of invention gives you a boost to your GDP and so forth, that's a deterioration of the U.S. competitive advantage."

Chinese activity

Although one of the biggest Asian investors is Japan's SoftBank Group Corp., which has tapped Middle Eastern money to create the world's largest tech-investment fund, it is Chinese activity that is having the greatest impact.

The prospect of a trade war between the U.S. and China could crimp venture finance along with overall investments if the countries go through with threats to levy billions of dollars in tariffs on each others' products. But since the tariffs are so far largely focused on industrial or agricultural exports like cars, chemicals and corn, they are unlikely to have much direct impact on most startups.

China is creating unicorns—startups valued at a billion dollars or more—at much the same pace as the U.S., drawing on funding from internet giants like Alibaba Group Hold-

The funds from Asia are 'powerful rocket fuel for innovative activity.'

ing Ltd. and Tencent Holdings Ltd. as well as more than a thousand domestic venture-capital firms that have raised billions of dollars a year for the past few years, according to VentureSource.

Chinese-led venture funding is about 15 times its size in 2013, outpacing growth in U.S.-led financing, which roughly doubled in that time period, the Journal's analysis shows.

Most Chinese-led investment so far has gone to the country's own firms, the Journal analysis found. Many of them, like the Yelp equivalent Meituan-Dianping, are household names with millions of customers in China, yet virtually unknown elsewhere.

Slowing growth and fierce competition in China is prompting the country's tech champions to look for markets overseas. Last year, the amount

of China-led venture investment outside the country more than doubled, the Journal's analysis found.

Of the five biggest venture investments led by Chinese investors in 2017, three were rounds led by Tencent or Alibaba in e-commerce and ride-hailing startups in India and Indonesia.

Many Chinese tech companies are "at this critical size that the China market alone is not enough to support their business and valuation," says Brian Gu, who recently left a position as J.P. Morgan's Asia Pacific investment banking chairman to become vice chairman and president of Alibaba's electric-car startup, Xiaopeng Motors. "The money will first go to adjacent markets where Chinese technology, Chinese business models, Chinese capital will have more impact."

Madhur Deora, chief financial officer for Paytm, one of India's biggest e-payments firms, says the company approached Alibaba affiliate Ant Financial instead of U.S. backers for funding in 2015 because Chinese mobile-internet innovations are "way far ahead of anything that's happened in the U.S." Ant is preparing to raise \$9 billion in a private funding round, according to people familiar with the matter, valuing it at close to \$150 billion.

Ant and Alibaba eventually invested a total of around \$800 million in Paytm parent One97 Communications, while SoftBank later poured in around \$1.4 billion. That made the trio the biggest investors in the company, says a person familiar with the transactions, and gave them board seats. The company hasn't had "meaningful" U.S. investors, Mr. Deora says. SoftBank led another investment of \$445 million in Paytm's online mall in recent weeks.

One reason China's push into new technologies worries many in the U.S. is that, unlike the hunt for good returns that underpins most Western venture finance, a lot of Chinese investment is driven by strategic interests, some carrying the specter of state influence.

China is pushing hard into semiconductors, for which the government has provided billions of dollars in public funding, and artificial intelligence, where Beijing in July set a goal of global leadership by 2030. China's state and local governments have also put money into private venture funds, and Beijing's interest has spurred a rush of startup VC activity, experts say.

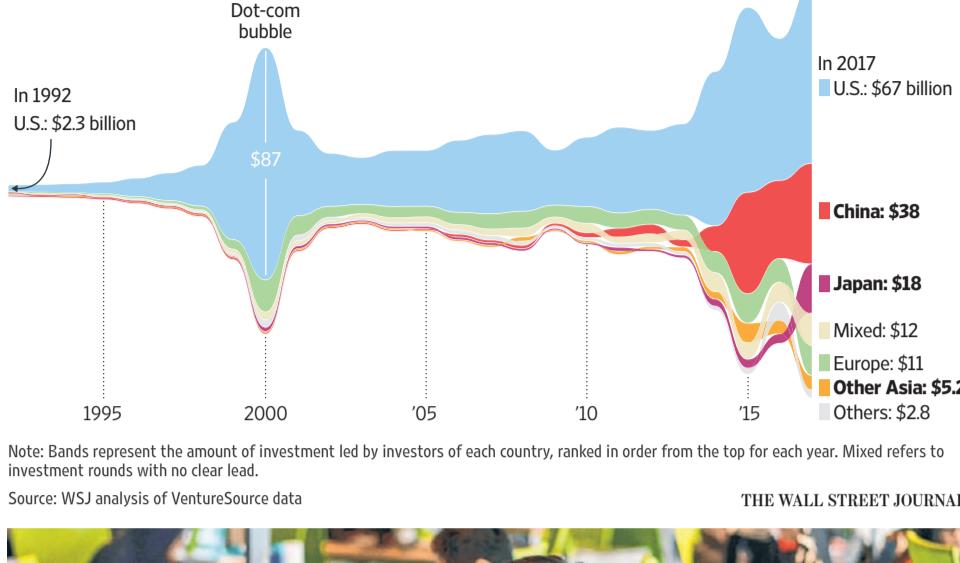
Chinese venture investments include stakes in companies like Megvii Technology Inc., a Chinese facial-recognition firm that has worked with financial firms on systems that match facial scans with databases for loan approvals. It has also helped Chinese police with surveillance systems.

U.S. investors are still pumping more money into AI startups than Chinese, leading \$4 billion in funding rounds last year, double the previous year's amount, according to the Journal's analysis of VentureSource data. Chinese investors led around \$2.5 billion in AI venture financing last year—up from less than \$100 million a few years before.

Rise of the East

A flood of money from Asian investors over the past five years is challenging the U.S. dominance of venture finance.

Venture capital by place of origin



Note: Bands represent the amount of investment led by investors of each country, ranked in order from the top for each year. Mixed refers to investment rounds with no clear lead.

Source: WSJ analysis of VentureSource data

THE WALL STREET JOURNAL.



Staff in Jakarta at Tokopedia, an internet shopping site that has drawn big investments from China.

tions have ballooned, with their proportion of deal volume growing from around 8% in 2007 to around half of the total last year.

Online marketplace

In 2017, deals led by Chinese investors made up a bigger portion of that megafinance than those led by U.S. investors. Japanese-led funding—largely by SoftBank—came in third.

In Southeast Asia, a flood of Chinese money into local startups—such as the \$1.1 billion Alibaba-led investment into Indonesian online marketplace PT Tokopedia last year—is drawing the region closer to China, says Santitarn Sathirathai, Credit Suisse's lead economist for emerging Asian markets.

Chinese money is also playing a big role in India, which, with a population of 1.2 billion, has been described as the next big internet market. Chinese and Japanese investors each led nearly \$3 billion in venture finance in India last year, ahead of the nearly \$2 billion in deals led by U.S. investors, which have been the top source of India's VC money in recent years.

Last year, Tencent led a \$1.1 billion round in Indian ride-hailing company Ola, which is piling up cash to battle U.S. rival Uber Technologies Inc. Tencent and SoftBank, another big investor, got seats on the board of Ola's parent.

The money has helped Ola continue a tight race with Uber for market share in India, as well as challenge Uber in Australia, where Ola recently launched operations with introductory free rides.

Tencent and SoftBank also each led billion-plus rounds into Flipkart, India's biggest local e-commerce company, earning them board seats as well. Flipkart has also recently discussed selling a stake in itself to Walmart Inc., people familiar with the discussions say, and is facing a challenge from Amazon.com Inc., which has announced plans to pour \$5 billion into its India operations and is gaining market share. Walmart and Flipkart declined to comment.

Vijay Shekhar Sharma, the founder of Paytm, the Indian e-payment firm, visited Alibaba's home base of Hangzhou several years ago, and was amazed at the online retail and payments market it pioneered with its affiliate Ant, says Mr. Deora, the CFO.

Paytm executives adapted practices they saw in China, including distributing stickers with QR codes to Indian merchants that let them accept payments via mobile phones, and rolling out shops that pop up for a limited time in Indian malls, where buyers can check out goods before they buy them online. Paytm is going up against Google and Facebook, which have also launched or tested services in India that let users pay through their phones.

"Think of strategic investments and M&A as playing a game of go," said Mr. Tsai, the Alibaba executive vice chairman, at the investor conference last year. "In a game of go the strategic objective is to put your pieces on the chessboard and surround your opponent."

TAXES

Continued from Page One
standing international tax acronyms for Foreign Oil and Gas Extraction Income and Foreign Oil Related Income.

Phooey to Foedee, says a younger crowd with a rare tax-meets-hip-hop sensibility and a familiarity with the rapper 50 Cent, also known as Fiddy and famous for his album "Get Rich or Die Tryin'."

"In the absence of published guidance from the government, I'm going with Fiddy," says Shamik Trivedi, a 35-year-old senior manager at the Grant Thornton LLP accounting firm in Washington.

University of Michigan law and economics professor James R. Hines Jr., 59 years old, puts himself staunchly in the Foedee camp. "Millennials," he says. "What are you going to do?"

Others eschew both acronym pronunciations, says Catherine Schultz, vice president for tax policy at the National Foreign Trade Council: "Some people are saying, 'I'm just going to say eff dee eye eye, because the other two sound silly.'"

The Fiddy-Foedee ferment is part of a broader struggle among tax professionals to come up with common names

FOREIGN-DERIVED INTANGIBLE INCOME

FDII



and terms for new provisions in last year's tax overhaul.

The name of the tax law itself has tax experts doing linguistic gymnastics because it's a mouthful, thanks to a last-minute squabble as Congress rushed to complete the legislation.

Democrats raised a procedural challenge and Republicans couldn't muster the 60 votes needed to call it the Tax Cuts and Jobs Act, as they wanted. President Donald Trump's

lawyers resorted to "the recently enacted U.S. tax reform legislation commonly referred to as the Tax Cuts and Jobs Act of 2017."

European consumer-products giant Unilever PLC joined others in preferring "HRI," formerly known as The Tax Cuts and Jobs Act.

The tax world already ran on arcane jargon, a gumbo of abbreviations and numbered Internal Revenue Code sections that let tax experts share a common tongue. The new tax act scrambled much of that argot, and veteran lawyers say they sometimes feel as if they are back in law school, deciphering a new code even as they learn new rules and devise new strategies.

"You have to rethink everything you've ever done on tax planning before. You can throw it out and start all over again," says the foreign-trade council's Ms. Schultz. "It seems to be never-ending right now."

Journalists and commentators have struggled to find clear, succinct and still accurate ways to refer to what is formally known as the "treatment of deferred foreign income upon transition to participation exemption system."

Some call it a toll charge. Others call it a mandatory one-time tax on stockpiled foreign

profits. Tax lawyers just call it "965," after the legislative section spelling out the provision.

None of this is helped by the dubious wit of congressional drafters. A provision intended to make it harder for companies to shift profits offshore was dubbed the Base Erosion and Anti-Abuse Tax, or BEAT.

The tax world already ran on arcane jargon, a gumbo of abbreviations and numbered Internal Revenue Code sections that let tax experts share a common tongue. The new tax act scrambled much of that argot, and veteran lawyers say they sometimes feel as if they are back in law school, deciphering a new code even as they learn new rules and devise new strategies.

"You have to rethink everything you've ever done on tax planning before. You can throw it out and start all over again," says the foreign-trade council's Ms. Schultz. "It seems to be never-ending right now."

Journalists and commentators have struggled to find clear, succinct and still accurate ways to refer to what is formally known as the "treatment of deferred foreign income upon transition to participation exemption system."

Some call it a toll charge. Others call it a mandatory one-time tax on stockpiled foreign

income, mostly the so-called guilty tax of the tax reform, will not impact us until fiscal year '19," Didier Hirsch, chief financial officer of biomedical instrument maker Agilent Technologies Inc., told investors on a Feb. 14 conference call, according to a transcript.

In other areas, the law's drafters managed to avoid cuteness. That has left tax experts referring to the new deduction for partnerships and other pass-through businesses by its code section, 199A, or as QBI, for the Qualified Business Income deduction that section creates.

They reserve the term "Cue-Bye" not for QBI but for QBAI, the Qualified Business Asset Investment, which has absolutely nothing to do with QBI.

All the new terminology has left Jeffery Yablon, a Washington lawyer who specializes in tax-exempt groups, happy with his earlier decision to leave the profession at the end of 2017.

"I had announced I was going to retire way before this tax law was going to pass, but I'm delighted with my timing," says Mr. Yablon, the author of "As Certain As Death: Quotations About Taxes," which runs 338 pages. "I don't have to spend a lot of nonbillable time learning about stuff."



ILLUSTRATION: WSJ; PHOTOS: ASSOCIATED PRESS, ISTOCK/GETTY IMAGES

Fiddy

Fidi

Foedee

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40

40</

GREATER NEW YORK

Struggling LIRR Gets New Leader

MTA executive Phil Eng will take the helm of a railroad plagued by delays, overcrowding

BY PAUL BERGER

The Long Island Rail Road, the nation's busiest commuter railroad that has been the scourge of thousands of travelers for its chronic delays, is getting new leadership.

Phil Eng, the Metropolitan Transportation Authority's chief operating officer, has been chosen to take over following the resignation of Pat Nowakowski. Mr. Nowakowski

will step down Friday after a four-year tenure that became increasingly tenuous because of rising commuter anger over delayed and overcrowded trains.

"It's been miserable for commuters," said state Sen. Todd Kaminsky, a Nassau County Democrat. "What riders want to see is somebody who is able to light a fire under the agency and get everybody working overtime to get things back on track."

Mitch Pally, chairman of the MTA board committee that oversees the railroad, said many of the delays were out of Mr. Nowakowski's control. But he said the railroad could have done a better job planning for

storms and other adverse weather conditions, and better informing commuters about train delays.

With Mr. Eng, the rail line

Phil Eng will lead a system that carries about 300,000 passengers on an average weekday.

is getting a transportation veteran with experience overseeing major highway and bridge projects but limited exposure to rail. Before joining the MTA

in March 2017, he helped New York state plan a \$2.6 billion project to add a third track along a 10-mile stretch of the LIRR's heavily used Main Line corridor between Floral Park and Hicksville. That project will begin shortly.

He will be tasked with turning around the LIRR, which last year recorded its worst on-time performance in 18 years, according to a March report by state Comptroller Thomas DiNapoli. With more than 7,500 employees and a \$1.6 billion operating budget, the commuter line carries about 300,000 passengers on an average weekday, most of them headed into and out of

New York Penn Station.

Many of the LIRR delays were caused by a series of track and power issues at Penn Station, which is owned and operated by Amtrak. But the comptroller's report also found fault with the LIRR.

Mr. Nowakowski unveiled a turnaround plan in March that included upgrading signals, hiring additional workers to tackle equipment breakdowns and improving communication with passengers. In a statement Thursday, he said: "I'm pleased with the direction the railroad is headed."

Mr. Eng said in a statement that he would continue Mr. Nowakowski's turnaround plan.

Policing Program Expands To Subway

BY ZOLAN KANNO-YOUNGS

Mayor Bill de Blasio extended his hallmark neighborhood policing program on Thursday, moving it underground to the city's subway system.

Standing alongside police officials at the entrance to the Atlantic Avenue-Barclays Center subway stop in Brooklyn, the mayor said the program, which directs officers to establish relationships with community members to hear their needs and gain information about crimes, would expand to subway stations and lines in the Bronx and Brooklyn.

"At first it sounds a little so far out of the box, you wonder if it will work," said Mr. de Blasio, a Democrat. "What I have seen happen is a whole neighborhood policing notion: When people get familiar with each other...it just starts a natural dialogue."

Mr. de Blasio and Commiss-

63

The number of precincts where community policing is active

sioner James O'Neill have made the community policing program a priority since it began in 2015 in the wake of protests sparked by the death of Eric Garner after he was put in a police chokehold, as well as the fatal shooting of two officers in Brooklyn. A crime statistics briefing rarely passes without the program getting credited. Officials from across the country have visited 1 Police Plaza to learn about the program.

Above ground, the program is active in 63 precincts, where "neighborhood coordination officers" oversee groups of officers who patrol the same portions of a community each day to build connections with residents.

The concept will follow a similar template with subways: Train lines in Brooklyn and the Bronx will be divided into sectors. Two neighborhood coordination officers will be assigned to each of those portions and will supervise groups of officers focused on specific areas.

But some New Yorkers on Thursday were skeptical the communication would flow—especially underground.

"You get on the train, you're trying to get somewhere," said Arthur Langaigne, 16 years old, who takes the subway from his home in Crown Heights to school in Park Slope. "You're not really thinking about the police. I'm trying to go about my day. They're going about their day."

Strike Up the Orchestra—At the Movies

BY CHARLES PASSY

The New York Philharmonic currently is offering a lively all-Mozart affair, with excerpts from symphonic works, operas and the choral masterpiece, the "Requiem."

But this isn't a concert as such: It's a night at the movies.

The Philharmonic is showing the Oscar-winning 1984 Milos Forman film "Amadeus" with live orchestral accompaniment.

"The orchestra makes the movie better and the movie makes the orchestra better," said Adrienne Silver, a longtime

Philharmonic attendee who was on hand for this past Wednesday's "Amadeus" presentation. (The program will be repeated through Tuesday.)

For the Philharmonic, such cinematic undertakings are becoming a key part of its programming. For the past five seasons, the orchestra has offered the screenings on an occasional basis as part of its the Art of the Score series, under the artistic advisory of the actor, classical-music enthusiast and Philharmonic board member Alec Baldwin.

Past presentations have included "The Godfather," "West Side Story," "Manhattan" and an Alfred Hitchcock event incorporating clips from several of the director's films. The orchestra also has featured four of the "Star Wars" movies separate from the Art of the Score series.

Philharmonic officials see the cinematic programming as a good way to reach audiences who might not go to a classical event. The idea is that once they experience a live orchestra, they will return, perhaps to a concert sans film.

The cinematic events are "a gateway drug," said Mr. Baldwin. "We will capture some people."

Either way, the events are proving plenty popular. During its five-season history, the Art of the Score series has drawn an audience of 98% capacity. The series doesn't necessarily

GO NAKAMURA FOR THE WALL STREET JOURNAL; JOHN TAGGART FOR THE WALL STREET JOURNAL (BELOW)



The New York Philharmonic accompanies a screening of 'Amadeus.' Fans who showed up in costume got early access to tickets in May 2017 to the orchestra's 'Star Wars' concert film series.



Paid Sick Leave Among Raft of Bills Passed by N.J. Lawmakers

BY KATE KING

New Jersey lawmakers Thursday unlocked several bills that have long been stuck in Trenton, greenlighting everything from subsidies for the state's nuclear-power industry to mandatory paid sick leave.

Another measure would allow so-called Dreamers, meaning people who were brought

to the U.S. illegally as children by their parents, to apply for state financial aid for higher-education costs.

And lawmakers sent a bill to Gov. Phil Murphy to automatically register and update the voter rolls with residents who apply for driver's licenses, a measure Democrats said was aimed at bolstering voter participation.

The measures are now on

the desk of Mr. Murphy, a Democrat who took office in January after campaigning on a progressive policy agenda.

The governor already has moved to implement stricter gun-control regulations, and has said he would sign a pay-equity bill passed by the Democratic-controlled Legislature last month. A spokesman said Thursday that Mr. Murphy would review the legislation.

Many of the bills had come up in previous legislative sessions but faced veto threats from former Gov. Chris Christie, a Republican, or failed to muster enough support from the Legislature. Some of the measures that had faced resistance were modified during this legislative session to gather more support among lawmakers.

Lawmakers had debated for

months whether to subsidize nuclear power in the state after Public Service Enterprise Group Inc., the state's largest operator, threatened to close two plants it owns and operates in the state's southern Salem County.

To get it through, it was paired with wide-ranging energy legislation that, among other things, requires the state to get 50% of its electric-

ity from renewable energy, such as wind and solar, by 2030.

Under current law, the state is on track to get 17.88% of its electricity from these renewable sources by 2021.

Mr. Murphy said last year that he supported keeping the nuclear-power plants open as long as it didn't interfere with the state's progress toward

Please see **BILLS** page A9B



PATEK PHILIPPE
GENEVE

Begin your own tradition.



WEMPE

EXQUISITE TIMEPIECES & JEWELRY

ESTABLISHED 1878

700 FIFTH AVENUE & 55TH STREET • NEW YORK • 212.397.9000

Hamburg Berlin Munich Dusseldorf Frankfurt London Madrid Paris Vienna Beijing

OPEN SUNDAYS 12 TO 5

Calatrava Ref. 5227R

GREATER NEW YORK

Housing Agency Sued Over Heat, Hot Water

By CORINNE RAMEY

A lawsuit filed Thursday demands rent rebates for New York City public-housing residents who didn't have heat or hot water for some periods this past winter, creating an additional headache for an agency that has faced persistent complaints of infrastructure and management failings.

The proposed class-action suit, filed by the Legal Aid Society and private firm **Willkie Farr & Gallagher LLP**, claims that the **New York City Housing Authority** has "openly flouted the law" by allowing the majority of residents to go without heat or hot water for substantial lengths of time.

"Every landlord in New York City is legally obligated to provide adequate heat and hot water, NYCHA included," said Mary Eaton, a partner at Willkie Farr & Gallagher, in a statement. "NYCHA's failure to provide these basic services, or to compensate its tenants for their losses, is inexcusable."

A spokeswoman for the housing authority said the re-

quested rent rebates would be better spent on fixing the buildings' aging infrastructure.

A'Seelah Diamond, one of the named plaintiffs in the lawsuit, lives in a city building in Brooklyn with her husband and three children, paying \$1,282 in monthly rent. During December and January, Ms. Diamond had regular heat and hot water outages, the complaint alleges. The cold exacerbated her daughter's asthma, the complaint says, and the whole family crowded into one bed to stay warm at night.

NYCHA officials have blamed declines in federal funding for its struggle to maintain basic services. The lawsuit comes on the heels of difficult months for the agency, which has been pummeled by criticism from lawmakers, residents and advocates. In addition to heat and hot-water issues, it has faced criticism related to the handling of mold and lead paint.

Earlier this month, New York Gov. Andrew Cuomo, a Democrat, declared a state of emergency for the agency. This week, agency head Shola Olatoye announced she would resign.

GREATER NEW YORK WATCH

NEW JERSEY

Man Is Sentenced For Bank Robberies

A New Jersey man has been sentenced to more than nine years in prison for robbing four banks in three states last year.

Israel Cosme previously pleaded guilty to robbing the banks in January 2017 in Little Ferry, N.J.; Essex and Baltimore in Maryland; and New York.

A federal judge in Newark sentenced Mr. Cosme on Thursday to 115 months in prison.

All four banks were TD Banks. The robberies occurred in an 11-day period. In each robbery, the 36-year-old Elizabeth resident handed tellers a note indicating he had a gun.

—Associated Press

NEW YORK

Green Party Hopeful Announces New Run

Howie Hawkins, a two-time Green Party candidate for New York governor who finished third in the 2014 election, has announced that he is again seeking the party's nomination to run in the November election.

The 65-year-old retired Teamster from Syracuse launched his campaign at a news conference in Albany, saying he is running on a progressive "Green New Deal" platform that includes raising taxes on millionaires and investing in clean-energy projects and infrastructure improvements.

He was the party's candidate for governor in 2010 and 2014.

—Associated Press

Spreading the Word to Younger Generations



NEVER FORGET: Ruth Zimler, who is 90 years old, and other Holocaust survivors spoke about their experiences Thursday at the Museum of Jewish Heritage in lower Manhattan, part of the institution's observance of Holocaust Remembrance Day.

BILLS

Continued from page A9A
greater reliance on renewable energy.

Lawmakers also on Thursday passed legislation to limit surprise out-of-network medical bills, which can occur when a patient schedules surgery at an in-network facility and doesn't realize that the anesthesiologist is out-of-network until a large bill arrives.

The measure wouldn't apply to self-insured plans, although they could "opt in" to its provisions.

The legislation, which lawmakers have been debating for years, would require health-care facilities and professionals to better inform patients about out-of-network care and costs.

It also would establish binding arbitration for reimbursement disputes between insurance carriers and out-of-network providers.

"At the end of the day, we all pay those bills," said state Sen. Joseph Vitale, a Democrat, on the Senate floor in Trenton. "It matters what those payments look like. Let them be reasonable."

State Sen. Robert Singer, a Republican, opposed the bill, which he said would deter doctors from working in the state.

"I'm concerned about making sure that we keep our doctors in New Jersey, that our specialists are here to treat our children, to treat our aging population and all of us," Mr. Singer said in Trenton.

Another bill passed Thursday that would require New

Jersey employers to provide 40 hours of paid sick leave a year. Workers would be eligible for sick leave after 120 days of employment.

In addition to personal illness, employees could use sick leave to care for children



Gov. Phil Murphy, a Democrat, is reviewing bills approved by New Jersey lawmakers.

and sick family members.

The sick-leave bill exempts certain construction employees, per-diem health-care workers and public employees who already are eligible for more generous sick leave.

Some Republicans pushed

back against the measure, saying businesses with 10 or fewer employees should be exempt from providing paid sick leave.

"If small businesses and startups can no longer afford the cost of labor the good intentions of this bill will be of no help to our employees," Assemblyman Robert Auth said last month. "They will be relegated to the unemployment line or to the underground economy."

Democrats, however, said the measure was long overdue.

"Earned sick leave is a basic workers' right that should be extended to all employees," Sen. Loretta Weinberg said in a statement. "It will create a healthier and safer work environment for our residents, but also will protect the health of the public."

RIDERS MASTERS CUP

PRESENTED BY

EEM

SATURDAY, APRIL 28TH, 2018

NYCB LIVE

HOME OF THE NASSAU VETERANS MEMORIAL COLISEUM
HOSTED BY THE LONGINES MASTERS OF NEW YORK**LONGINES**
FOUNDING PARTNERTHE WALL STREET JOURNAL
Read ambitiously.RIDERSMASTERSCUP.COM

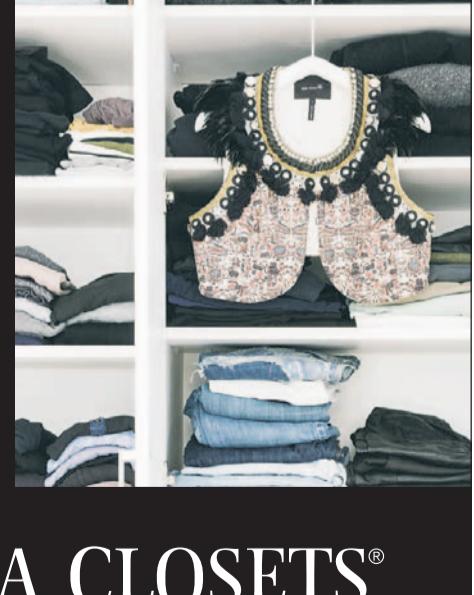
f RIDERSMASTERSCUP

#WAVEYOURFLAG

GUASCO?

LOVING HOW YOU LIVE.

You dream it.
We design and build it.
Make every space your own.



CALIFORNIA CLOSETS®

NEW YORK CITY NASSAU
WESTCHESTER
ROCKLAND HUDSON VALLEY

914.592.1001

MIAMI

305.623.8282

californiaclosets.com

facebook & Instagram: @caliclosetsnyc & @caliclosetsmiami

LIFE & ARTS

TELEVISION REVIEW

By John Anderson

Re-Entering The TV Atmosphere



Maxwell Jenkins in 'Lost in Space'

THE FOLKS BEHIND the new "Lost in Space" have essentially done what a car mechanic once advised me to do with my 1966 Oldsmobile Jetstar 88: Jack up the radiator cap and slide a new car underneath. What else could they do? Television is wash in remakes right now, and if you're doing "Howards End," say, or even "Roseanne," there's a reasonable concern about fealty to the source material. But the campy old "Lost in Space"? It never even knew what it wanted to be. So you might say the Netflix reboot has a leg up

Whether the resulting vehicle will get the Space Family Robinson off their hostile planet, or into the hearts of viewers, remains to be seen. Whether those viewers will be trembling with suspense is even less certain. The CBS series (1965-68) was fairly lighthearted, and though the woeful film version of 1998 took a much darker tack—likewise the new show—it didn't do much for the franchise except for the presence of Gary Oldman as Dr. Zachary Smith, devious stowaway on the Space Family Robinson's homesteading journey. It's the Iago role, you might say, especially if you wanted to overstate it, and this time around is in the hands of the estimable Parker Posey. She makes the counterfeit doctor a bona-fide sociopath. And a solid reason to keep watching.

You may need one. In what's probably a trend, the 10 episodes of the 2018 "Lost in Space" seem intentionally constructed with the binge-watcher in mind, hence the leisurely, erratic rollout of character, conflict and circumstances, and an introduction rooted in pure boredom: The Robinson family, aboard their Kubrick-worthy spaceship, playing a lethargic hand of go-fish as they make their tedious way toward a new world and away from an imperiled Earth. (The ecological crisis they're fleeing seems to have been caused by contact with an asteroid, resulting in the kind of climatological calamity that might have extinguished the

Please see *LOST* page A11

JULIETA CERVANTES

THEATER REVIEW

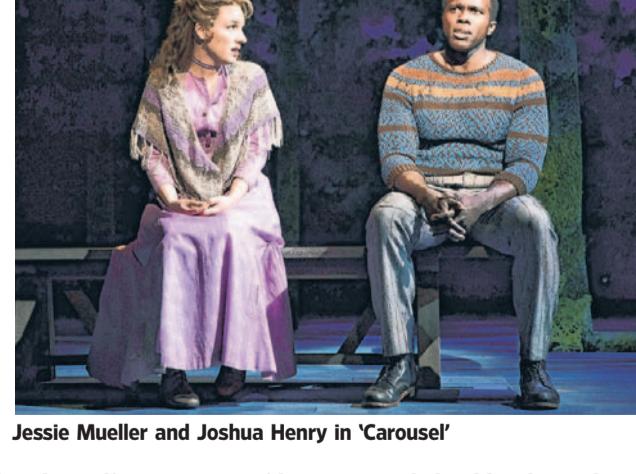
By Terry Teachout

IT HAS UPS AND DOWNS

New York **OF THE MUSICALS** by Richard Rodgers and Oscar Hammerstein II that continue to hold the stage, "Carousel" is—up to a point—the strongest. That point arrives toward the end, when the ghost of Billy Bigelow, the show's romantic antihero, returns to earth, watches his daughter graduate from high school and is escorted back to the Pearly Gates by an angel as the company sings a reprise of "You'll Never Walk Alone," the stickiest song that Rodgers and Hammerstein ever wrote (though the competition is stiff). Until then, the show is a miraculous fusion of sentiment and craftsmanship, and even the finale can be made to work by a smart director who isn't afraid of heartfelt emotion.

Jack O'Brien is very smart, but his Broadway revival of "Carousel" is uneven, enough so that those who know the show may find it a disappointment—though they'll certainly be staggered by the singing. Jessie Mueller, Joshua Henry and Lindsay Mendez, who play Julie, Billy and Carrie, are all such resplendently fine vocalists that they need make no apologies for sharing a stage with Renée Fleming, who plays Nettie Fowler and so gets to sing "June Is Bustin' Out All Over" and "You'll Never Walk Alone." Voice for voice, I've never heard a better-sung revival of a golden-age musical.

So what's wrong? Mr. O'Brien's "Carousel" feels slick, like an old-master painting



Jessie Mueller and Joshua Henry in 'Carousel'

"West Side Story," and shouldn't be replaced unless the new ones are decisive improvements. Not so Mr. Peck's choreography, most of which is no more than fluent, while his one striking contribution, a vigorous all-male dance in the style of Michael Kidd's work on "Seven Brides for Seven Brothers," is less appropriately characterful than De Mille's hornpipe.

Mr. Henry's performance contributes to

Please see *CAROUSEL* page A11



Brady Jandreau as Brady Blackburn, left and below

SONY PICTURES CLASSICS (2)

FILM REVIEW

By Joe Morgenstern

'Rider': A Cowboy Life In the Balance

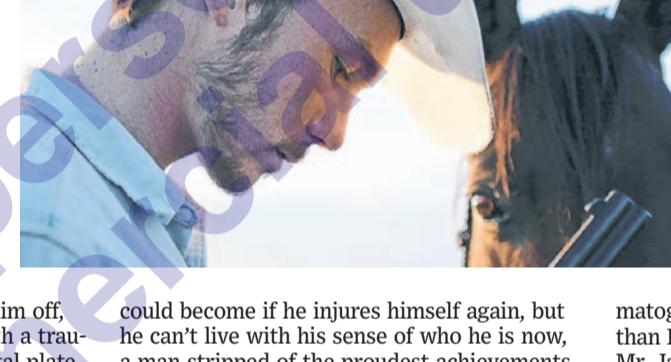
HOW MANY STIRRING moments does it take to make a great movie? Whatever the number, "The Rider" has more than enough—moments between a man and a horse; between an injured man and his shattered friend, or his different-minded sister; silent moments when the camera studies the hero's appealing face, and one heart-stopping fraction of a moment when a father tells his son to whistle. This poetic, laconic and ineffably beautiful drama has an unerring feel for its subject, a young cowboy struggling against his implacable fate in the American West. That's notable in itself, and all the more so since the film was written and directed by Chloé Zhao, a Chinese woman born in Beijing.

The specific setting is the Pine Ridge Indian Reservation in South Dakota. The rider of the title, Brady Blackburn, is played by Brady Jandreau, though "played by" doesn't suggest the complexity and poignancy of his performance. The character is a fictionalized version of the nonprofessional actor, a Lakota cowboy and horse trainer who had a promising career on the rodeo circuit until a bucking bronco threw him off, stomped on his head, and left him with a traumatic brain injury that required a metal plate in his skull.

Weaving her story around Mr. Jandreau, Ms. Zhao cast her film entirely with members of his family and friends, including his kid sister, Lilly (Lilly Jandreau), who in fact has Asperger's syndrome, and his closest friend, Lane (Lane Scott), a former rodeo rider who sustained a catastrophic injury and remains in a rehab facility, paralyzed and mute. ("There's nothing like strapping yourself onto a 2,000-pound animal and just going with it," Lane

says with boundless pleasure in another factual detail, a videotaped interview from his cherished past.)

The bond between Brady and Lane is as fateful as it is tender. Brady's doctors have warned him he must never ride again, let alone compete in the rodeos he loves. His body confirms the danger with sporadic seizures, pain that keeps him popping pills, and a right hand he can't unclench without prying the fingers open with his left hand. Lane's plight is another stark reminder of who Brady



could become if he injures himself again, but he can't live with his sense of who he is now, a man stripped of the proudest achievements that defined his manhood.

Masculine pride isn't the only subject of a film that raises issues deftly without naming them. "The Rider" touches on the economic constraints of Brady's life (for an analogous viewpoint, see Francesco Rosi's masterly portrait of a bullfighter, "The Moment of Truth"), and the dwindling place of cowboys in modern culture. (You might re-see "The Misfits," directed by John Huston from a script by Arthur Miller.) But Brady's pride—in who he

was, and was meant to be—is the movie's main concern, and his spastic right hand an emblem of the choice that confronts him. How much of his former life can he let go?

It's a rare treat to be so affected by—and connected to—a movie hero of so few words, and such vivid ones. Sitting around a fire with a group of buddies, Brady recalls his horse-riding days: "I learned a lot being on their backs, looking down on them ears." Are they Ms. Zhao's words, those of the real-life Brady or a combination of both? It doesn't matter, because this is a drama, after all, and it's filled with lines of stripped-back eloquence: Brady's friends offering up a Lakota prayer for the fallen Lane, along with the hope "that he gets to ride again, feel the wind at his back, watch it flow through the grass"; or Brady's sister, with her sweet spirit and her special take on life, considering the sky at dusk and saying "Goodnight, sun, see you in the morning."

The best parts of Ms. Zhao's film, though, are quiet ones in which the images tell most of the tale. (Joshua James Richards did the lovely cinematography. The editor was Alex O'Flinn. Nathan Halpern composed the music.) In real life Mr. Jandreau is a gifted horse trainer. His on-screen counterpart seems less a whisperer than a wizardly empath, whether he's taking his own horse out for a bareback canter at sunrise, or asserting his authority with a willful animal who's never had a human on his back, then telling him, in a comradely tone, "Let's go for a cruise." Watching Brady as he watches a rodeo, his seemingly placid expression masking his excitement, it's hard to believe that he will resist temptation, and harder to think what may happen if he won't.

The WSJ Daily Crossword

Edited by Mike Shenk



COLORFUL CHARACTER

By Matt Gaffney

The answer to this week's contest crossword is a famous novel hinted at five times in the grid.

Across

- 1 Strategically confine
- 6 Crash tender
- 10 Some early PCs
- 14 "Yeah-hunh!"
- 15 Key on a map
- 16 Give discreetly
- 17 Plant named for an early U.S. diplomat in Mexico
- 19 Tunnel creator
- 20 Galaxy note
- 21 Against the antis
- 23 Former
- 24 Not working
- 27 Coach Chuck
- 29 Related
- 31 Don Ho often performed with one
- 32 Prime purchase
- 34 Party people
- 37 Director Eisenstein
- 39 Springfield grunt
- 41 Sewing case
- 42 Unstylish spread
- 43 1967 title role for Warren
- 45 Animal house
- 46 Neighborhood next to the East Village
- 47 Grieve audibly
- 48 On the way up
- 50 Microsoft purchase of 2011
- 52 Tag preceiver
- 54 Number on a soccer "clean sheet"
- 55 Makes blue, perhaps
- 57 further (stop)
- 58 007, e.g.
- 59 On behalf of
- 61 Wish undone
- 63 Extra
- 65 State that has voted Republican in the last 13 presidential elections

► Email your answer—in the subject line—to crosswordcontest@wsj.com by 11:59 p.m. Eastern Time Sunday, April 15. A solver selected at random will win a WSJ mug. Last week's winner: Mike Sorrenti, Pawtucket, RI. Complete contest rules at WSJ.com/Puzzles. (No purchase necessary. Void where prohibited. U.S. residents 18 and over only.)

PUZZLE CONTEST

67 Jam option	72 Opposite of mega-	73 Fun time	74 "But you said..." response	75 Abr. before a year	76 Really enjoying	77 They can make good food and bitter butter	78 Like some sauces	79 Finish for puppet or profit	80 Singer Lisa and jazz guitarist Chuck	81 Put on the canvas, maybe	82 Salad root	83 One at a time	84 Like some sautes	85 Stop arguing!	86 Cabin component	87 Circling the Earth, say	88 Finish for puppet or profit	89 Theater projectile, back in the day	90 Bar food	91 Be plenty mad	92 Uplifting name	93 School attended by 19 prime ministers	94 Difficult to capture	95 Stashed	96 Twaddle	97 Criticize severely	98 Pierce-Arrow contemporary	99 FG measurements																																																																																																																																																																										
90 Belief	91 Evidence in many "Law & Order" episodes	92 Move aimlessly	93 Risked getting pulled over	94 Rare birds	95 "Awesome!"	96 Kaitlin of "It's Always Sunny in Philadelphia" et al.	97 Fail to ail	98 Sidewalk protrusion	99 FG measurements	100 Aphid eater	101 Cabin component	102 Circle the wagons	103 Finish for puppet or profit	104 Stop arguing!	105 Cabin component	106 Circle the wagons	107 Finish for puppet or profit	108 Circle the wagons	109 Cabin component	110 Circle the wagons	111 Finish for puppet or profit	112 Circle the wagons	113 Finish for puppet or profit	114 Circle the wagons	115 Finish for puppet or profit	116 Circle the wagons	117 Finish for puppet or profit	118 Circle the wagons	119 Finish for puppet or profit	120 Circle the wagons	121 Finish for puppet or profit	122 Circle the wagons	123 Finish for puppet or profit	124 Circle the wagons	125 Finish for puppet or profit	126 Circle the wagons	127 Finish for puppet or profit	128 Circle the wagons	129 Finish for puppet or profit	130 Circle the wagons	131 Finish for puppet or profit	132 Circle the wagons	133 Finish for puppet or profit	134 Circle the wagons	135 Finish for puppet or profit	136 Circle the wagons	137 Finish for puppet or profit	138 Circle the wagons	139 Finish for puppet or profit	140 Circle the wagons	141 Finish for puppet or profit	142 Circle the wagons	143 Finish for puppet or profit	144 Circle the wagons	145 Finish for puppet or profit	146 Circle the wagons	147 Finish for puppet or profit	148 Circle the wagons	149 Finish for puppet or profit	150 Circle the wagons	151 Finish for puppet or profit	152 Circle the wagons	153 Finish for puppet or profit	154 Circle the wagons	155 Finish for puppet or profit	156 Circle the wagons	157 Finish for puppet or profit	158 Circle the wagons	159 Finish for puppet or profit	160 Circle the wagons	161 Finish for puppet or profit	162 Circle the wagons	163 Finish for puppet or profit	164 Circle the wagons	165 Finish for puppet or profit	166 Circle the wagons	167 Finish for puppet or profit	168 Circle the wagons	169 Finish for puppet or profit	170 Circle the wagons	171 Finish for puppet or profit	172 Circle the wagons	173 Finish for puppet or profit	174 Circle the wagons	175 Finish for puppet or profit	176 Circle the wagons	177 Finish for puppet or profit	178 Circle the wagons	179 Finish for puppet or profit	180 Circle the wagons	181 Finish for puppet or profit	182 Circle the wagons	183 Finish for puppet or profit	184 Circle the wagons	185 Finish for puppet or profit	186 Circle the wagons	187 Finish for puppet or profit	188 Circle the wagons	189 Finish for puppet or profit	190 Circle the wagons	191 Finish for puppet or profit	192 Circle the wagons	193 Finish for puppet or profit	194 Circle the wagons	195 Finish for puppet or profit	196 Circle the wagons	197 Finish for puppet or profit	198 Circle the wagons	199 Finish for puppet or profit	200 Circle the wagons	201 Finish for puppet or profit	202 Circle the wagons	203 Finish for puppet or profit	204 Circle the wagons	205 Finish for puppet or profit	206 Circle the wagons	207 Finish for puppet or profit	208 Circle the wagons	209 Finish for puppet or profit	210 Circle the wagons	211 Finish for puppet or profit	212 Circle the wagons	213 Finish for puppet or profit	214 Circle the wagons	215 Finish for puppet or profit	216 Circle the wagons	217 Finish for puppet or profit	218 Circle the wagons	219 Finish for puppet or profit	220 Circle the wagons	221 Finish for puppet or profit	222 Circle the wagons	223 Finish for puppet or profit	224 Circle the wagons	225 Finish for puppet or profit	226 Circle the wagons	227 Finish for puppet or profit	228 Circle the wagons	229 Finish for puppet or profit	230 Circle the wagons	231 Finish for puppet or profit	232 Circle the wagons	233 Finish for puppet or profit	234 Circle the wagons	235 Finish for puppet or profit	236 Circle the wagons	237 Finish for puppet or profit	238 Circle the wagons	239 Finish for puppet or profit	240 Circle the wagons	241 Finish for puppet or profit	242 Circle the wagons	243 Finish for puppet or profit	244 Circle the wagons	245 Finish for puppet or profit	246 Circle the wagons	247 Finish for puppet or profit	248 Circle the wagons	249 Finish for puppet or profit	250 Circle the wagons	251 Finish for puppet or profit	252 Circle the wagons	253 Finish for puppet or profit	254 Circle the wagons	255 Finish for puppet or profit	256 Circle the wagons	257 Finish for puppet or profit	258 Circle the wagons	259 Finish for puppet or profit	260 Circle the wagons	261 Finish for puppet or profit	262 Circle the wagons	263 Finish for puppet or profit	264 Circle the wagons	265 Finish for puppet or profit	266 Circle the wagons	267 Finish for puppet or profit	268 Circle the wagons	269 Finish for puppet or profit	270 Circle the wagons	271 Finish for puppet or profit	272 Circle the wagons	273 Finish for puppet or profit	274 Circle the wagons	275 Finish for puppet or profit	276 Circle the wagons	277 Finish for puppet or profit	278 Circle the wagons	279 Finish for puppet or profit	280 Circle the wagons	281 Finish for puppet or profit	282 Circle the wagons	283 Finish for puppet or profit	284 Circle the wagons	285 Finish for puppet or profit	286 Circle the wagons	287 Finish for puppet or profit	288 Circle the wagons

LIFE & ARTS

FILM REVIEW | By Joe Morgenstern

'Lean On Pete': A Boy, A Horse, a Bond



THE BOY and the horse in "Lean On Pete" are two of a vulnerable kind. Charley, a lonely teen who's played marvelously well by Charlie Plummer, is loosely connected at best to the adult world. His mother split long ago and his no-account father doesn't understand that the boy needs a functioning parent. The horse, Lean On Pete, or Pete for short, is loosely connected to a seedy part of the racing world where quarter-horses like him run for measly purses, rarely get rest and end up as horsemeat in Mexico if they don't stay in a winning groove. How these two make their connection is part of the story in this fine, discursive film, which Andrew Haigh directed from a script he and Willy Vlautin based on the latter's novel. The other part is the harsh and affecting odyssey that takes boy and horse from Oregon to Wyoming, leading Charley toward the outskirts of manhood.

What is it that makes us impute deep wisdom to horses? In the other of this week's equine sagas, "The Rider," man-and-horse communications are more mystical than audible. In "Lean On Pete" they're hyperverbal—Charley tells his life story to his cherished companion during long days on the



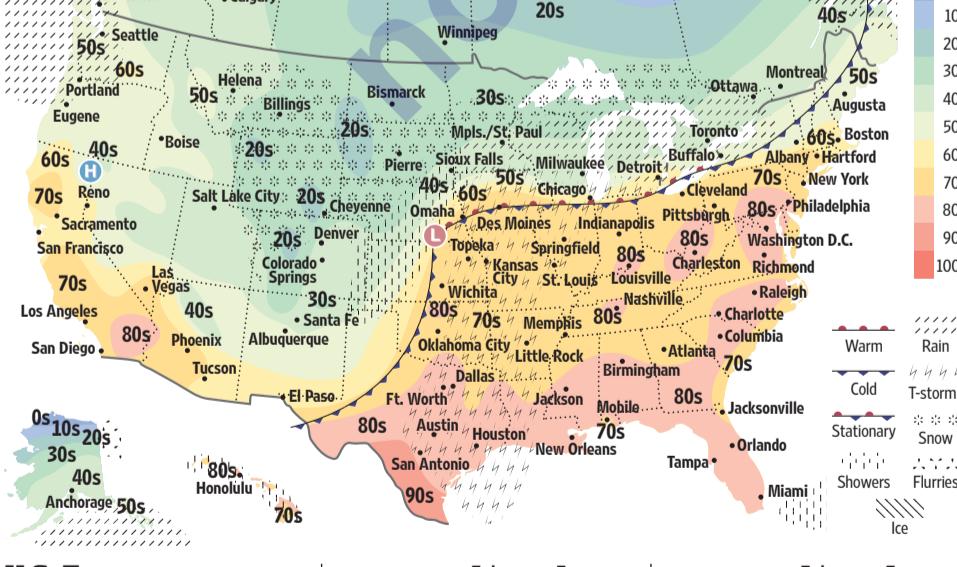
Steve Buscemi, above, and Charlie Plummer, top, in Andrew Haigh's latest feature

road, and on the high desert. (Their conversations are one-sided. Pete whinnies, snorts and bellows, but otherwise keeps his counsel.) In another film such soliloquies might seem like a case of clumsy exposition, but they're perfectly natural and often moving in the circumstances; Charley needs a listener as urgently as Pete needs caresses on his nose.

Mr. Haigh's previous feature was "45 Years," a drama of marital distress, starring Charlotte Rampling and Tom Courtenay, in which the strongest feelings went unspoken. The words in his new film are pungent in themselves, but they're given greater power by Mr. Plumm-

er's remarkable performance. He's young and looks younger at the start, when Charley seems so innocent and earnest that you fear for his ability to survive in the world. That changes, and radically, as his travels with Pete progress, yet the wonder—as well as the point—of this memorable portrayal is the persistence of Charley's innocence through it all. Steve Buscemi provides sardonic relief as Del, Pete's sleazy owner and an unlikely stand-in for Charley's father. Chloë Sevigny is Bonnie, Del's girlfriend and jockey, who keeps warning Charley not to get attached to Pete. "He's not a pet," she says, "just a horse." It's a tough sell.

Weather



U.S. Forecasts

s...sunny; pc...partly cloudy; c...cloudy; sh...showers;

t...storms; r...rain; sf...snow flurries; sn...snow; i...ice;

sh...shower; fl...flurries; s...snow; t...tornado; l...lightning.

Today Hi Lo W Today Hi Lo W

City Anchorage 46 34 c 46 30 s

Atlanta 79 61 s 80 62 pc

Austin 85 54 c 75 45 s

Baltimore 82 61 s 82 60 s

Boise 55 40 c 63 45 c

Boston 62 50 pc 54 36 c

Burlington 52 34 c 35 27 sn

Charlotte 80 60 s 81 66 pc

Chicago 60 44 t 46 36 r

Cleveland 75 58 pc 65 46 r

Dallas 84 48 t 46 39 s

Denver 45 25 c 53 28 pc

Detroit 64 47 r 50 37 r

Honolulu 83 72 sh 82 73 sh

Houston 82 61 c 66 45 s

Indianapolis 76 60 c 68 48 t

Kansas City 74 43 t 46 27 c

Las Vegas 71 53 s 76 58 s

Little Rock 75 56 t 64 36 pc

Los Angeles 76 58 s 80 56 s

Miami 84 73 pc 85 77 sh

Minneapolis 45 34 r 38 30 r

Nashville 41 26 sn 31 24 sn

New Orleans 80 62 pc 72 50 t

New York City 81 69 pc 76 51 t

Oklahoma City 76 60 pc 80 47 pc

Seattle 76 37 pc 53 28 pc

Today Hi Lo W Today Hi Lo W

City Anchorage 46 34 c 46 30 s

Atlanta 79 61 s 80 62 pc

Austin 85 54 c 75 45 s

Baltimore 82 61 s 82 60 s

Boise 55 40 c 63 45 c

Boston 62 50 pc 54 36 c

Burlington 52 34 c 35 27 sn

Charlotte 80 60 s 81 66 pc

Chicago 60 44 t 46 36 r

Cleveland 75 58 pc 65 46 r

Dallas 84 48 t 46 39 s

Denver 45 25 c 53 28 pc

Detroit 64 47 r 50 37 r

Honolulu 83 72 sh 82 73 sh

Houston 82 61 c 66 45 s

Indianapolis 76 60 c 68 48 t

Kansas City 74 43 t 46 27 c

Las Vegas 71 53 s 76 58 s

Little Rock 75 56 t 64 36 pc

Los Angeles 76 58 s 80 56 s

Miami 84 73 pc 85 77 sh

Minneapolis 45 34 r 38 30 r

Nashville 41 26 sn 31 24 sn

New Orleans 80 62 pc 72 50 t

New York City 81 69 pc 76 51 t

Oklahoma City 76 60 pc 80 47 pc

Seattle 76 37 pc 53 28 pc

Today Hi Lo W Today Hi Lo W

City Anchorage 46 34 c 46 30 s

Atlanta 79 61 s 80 62 pc

Austin 85 54 c 75 45 s

Baltimore 82 61 s 82 60 s

Boise 55 40 c 63 45 c

Boston 62 50 pc 54 36 c

Burlington 52 34 c 35 27 sn

Charlotte 80 60 s 81 66 pc

Chicago 60 44 t 46 36 r

Cleveland 75 58 pc 65 46 r

Dallas 84 48 t 46 39 s

Denver 45 25 c 53 28 pc

Detroit 64 47 r 50 37 r

Honolulu 83 72 sh 82 73 sh

Houston 82 61 c 66 45 s

Indianapolis 76 60 c 68 48 t

Kansas City 74 43 t 46 27 c

Las Vegas 71 53 s 76 58 s

Little Rock 75 56 t 64 36 pc

Los Angeles 76 58 s 80 56 s

Miami 84 73 pc 85 77 sh

Minneapolis 45 34 r 38 30 r

Nashville 41 26 sn 31 24 sn

New Orleans 80 62 pc 72 50 t

New York City 81 69 pc 76 51 t

Oklahoma City 76 60 pc 80 47 pc

Seattle 76 37 pc 53 28 pc

Today Hi Lo W Today Hi Lo W

City Anchorage 46 34 c 46 30 s

Atlanta 79 61 s 80 62 pc

Austin 85 54 c 75 45 s

Baltimore 82 61 s 82 60 s

Boise 55 40 c 63 45 c

Boston 62 50 pc 54 36 c

Burlington 52 34 c 35 27 sn

Charlotte 80 60 s 81 66 pc

Chicago 60 44 t 46 36 r

Cleveland 75 58 pc 65 46 r

Dallas 84 48 t 46 39 s

Denver 45 25 c 53 28 pc

Detroit 64 47 r 50 37 r

Honolulu 83 72 sh 82 73 sh

Houston 82 61 c 66 45 s

Indianapolis 76 60 c 68 48 t

Kansas City 74 43 t 46 27 c

Las Vegas 71 53 s 76 58 s

Little Rock 75 56 t 64 36 pc

Los Angeles 76 58 s 80 56 s

Miami 84 73 pc 85 77 sh

Minneapolis 45 34 r 38 30 r

Nashville 41 26 sn 31 24 sn

New Orleans 80 62 pc 72 50 t

New York City 81 69 pc 76 51 t

Oklahoma City 76 60 pc 80 47 pc

Seattle 76 37 pc 53 28 pc

Today Hi Lo W Today Hi Lo W

City Anchorage 46 34 c 46 30 s

Atlanta 79 61 s 80 62 pc

Austin 85 54 c 75 45 s

Baltimore 82 61 s 82 60 s

Boise 55 40 c 63 45 c

Boston 62 50 pc 54 36 c

Burlington 52 34 c 35 27 sn

Charlotte 80 60 s 81 66 pc

Chicago 60 44 t 46 36 r

Cleveland 75 58 pc 65 46 r

Dallas 84 48 t 46 39 s

SPORTS

MLB | By Jason Gay

The Yankees-Red Sox Rivalry Is Back



Well, baseball, you've had a nice run lately—but it's over.

You've been so likable! Baseball's been new, exciting, delightful—even open to change. The Cubs and the Astros won the last two World Series. The Cubs and the Astros! One club's first title since 1908—and the other club's first title since, well, ever.

There's been thrilling, upstart talent, none bigger than the Angels newcomer Shohei Ohtani, the Japanese phenom who's a brilliant two-fer—a world-class pitcher, and, it appears, a world-class home run slugger.

This has all been fantastic for baseball. It's impossible to not enjoy.

But now it's over. Kaput. Finished. Because they're back.

Them.

The Red Sox and Yankees.

Ugh. It's brutal. If you hate Boston or New York—or both—it's time to flee the country. Or at least follow hockey and basketball. Baseball's most oxygen-sucking rivalry is about to suck all of the oxygen out of the sport again.

It's like finding out that your uncle who threw up on the couch is coming for an indefinite stay.

Why the revival? That's easy: the hate is percolating. For the first time in a while, Red Sox and the Yankees A) are simultaneously stacked, and, far more importantly, B) don't want to snuggle. On Wednesday night at Fenway, the teams got into a zesty, bench-clearing brawl—pushing, shoving, and taking swings like old, Pedro vs. Zimmer times.

The rivalry had been dormant for a while. The Red Sox and Yankees were kind of...boring. The Yankees went into a rebuild mode—or at least, what's a rebuild mode for them (it's like watching a billionaire pass on a sculpture at Sotheby's). The Red Sox went into underachieving mode. They both reconstructed their rosters, promoted youngsters, and when they played each other, there was little sizzle or anger. It didn't help that the players were kind of sweet, either. Aaron Judge—who hates Aaron Judge? That dude rules.

I'm not saying Boston vs. New



The Yankees' Tyler Austin charged the mound after being struck by a pitch from Red Sox pitcher Joe Kelly during Wednesday's game at Fenway Park.

CHARLES KRUPA/ASSOCIATED PRESS

York got kissy-kissy—but the true, feel-it-in-your-soul, pass-on-to-your-kids fury was on hold. Outside Fenway, they still sold those "Yankees [RHYMES WITH DUCK]" T-shirts, but nobody's heart was that into it. Red Sox-Yankees felt like two strangers sitting next to each other on Amtrak.

For the rest of baseball, this was fine. Welcome, even. The deadening of Yankees-Red Sox allowed other flowers to bloom. We all know what it's like when the Red Sox-Yankees rivalry gets kicking. It's as if every other baseball club ceases to exist. Boston and New York hog all the TV and media time and it drives fans in other regions completely bananas.

You know those lines about East Coast media bias and how New York and Boston people think they're the center of the universe? It's true! We really do think we're the center of the universe! And Red Sox-Yankees

games are 19 hours long!

We're the worst, I recognize this.

I say "we" because I know this rivalry well. I live in New York and grew up in Massachusetts a Red Sox fan. Bucky Dent basically ruined my childhood. I consider the anniversary of the 2004 American League Championship (the one where Boston came back from 0-3) a bigger moment than even my wedding and the birth of my children. I think a photo of Jason Varitek mashing his catcher's mitt into A-Rod's face should be printed on \$20 bills.

But Boston's moved onto other obsessions. The Red Sox are still a draw, still a topic, but they're like the 12th topic behind the first 11 things Bill Belichick is doing. It doesn't matter if it's Super Bowl week—or the second week of April. Boston is an NFL town, which feels super strange if you grew up there when the Patriots were basically an

amateur comedy theater.

Wednesday's brawl was like watching Obi-Wan power up a dusty old light saber. Emotions flared when Yankee Tyler Austin slid into second base, spikes raised, and collided with Red Sox infielder Brock Holt in a way that Holt didn't appreciate. Benches cleared, but no punches were thrown.

When Austin came to the plate in the seventh inning, Boston pitcher Joe Kelly plunked him in the back, and it was on. Austin approached the mound, Kelly said "Let's go"—not a joke, he really appeared to say "Let's go"—and they tangled as their teammates took the field and had their own argy-bargy shove party.

I know I'm supposed to be an evolved baseball fan in 2018—I'm supposed to hate brushback pitches and aggressive slides and all that caveman stuff. I should think about the message it sends to the kids! My own kids are signing up for baseball this spring—I don't want

them emulating this garbage.

But I can't lie, I kind of loved it.

It was just the juice this sleepy rivalry needed. I know I'm not alone. Yankee fans are defending Tyler Austin. Joe Kelly is going to drink free at Dunkin' Donuts for a while.

For the rest of baseball, all I can do is apologize. There is nothing more obnoxious in 2018 than a Boston fan getting excited about sports. And Yankees fans aren't much better. They've already won 27 World Series. Twenty-seven! It's like rooting for Jeff Bezos to get a new airplane.

(Meanwhile, Mets fans are like: We're 10-1! What do we got to do around here?)

It's only going to get worse. If you think it's obnoxious now, wait until this rivalry gets back to the Bronx in May. Wait until that series right before the Fourth of July. It's gonna be hot and bonkers.

But likable? Not really. Boston vs. New York is back. Sorry, baseball.

BASKETBALL

THE FIRST SHOTS OF THE NBA'S 3-POINT REVOLUTION

BY BEN COHEN

IT TOOK DECADES for the NBA to realize it should be taking more of the shots that are literally worth one more point.

But once NBA teams began to embrace 3-pointers, the game changed forever. They slowly migrated away from the basket and behind the 3-point line as the percentage of field-goal attempts that were 3-pointers increased almost every season.

And then they stopped taking more 3-pointers.

The proportion of threes in the seasons between 2008 and 2012 somehow remained almost exactly the same: They accounted for 22.2%, 22.4%, 22.2%, 22.2% and 22.6% of total shots.

That period of stasis, when it appeared the sport had reached equilibrium, is worth revisiting on the eve of the NBA playoffs, after a regular season in which the 3-point revolution accelerated and with a generation that has been raised to play this style of basketball on the way.

NBA teams this season attempted an exceptional 33.7% of their shots from behind the 3-point line. It was the seventh consecutive season they smashed the previous season's record for 3-pointers, and the result of those incremental adjustments is a transformational shift over the course of the last six years that makes it almost impossible to win a championship without strategizing around the 3-point line.

This season alone was responsible for five of the top-10 teams and 10 of the top-20 teams in the history of the NBA in terms of 3-point reliance. In the year before Stephen Curry entered the league, only three teams attempted more than 26% of their field goals from behind the 3-point line, and not a single team relied on 3-pointers for more than 33.5% of its shots. Now, with more players shooting from all over the court, every team is above 26%, and half the league is above 33.5%. The average for the entire NBA this year, in fact, was higher than any individual team's from the prehistoric Before Curry era.

All of which makes those five years when 3-pointers flatlined so

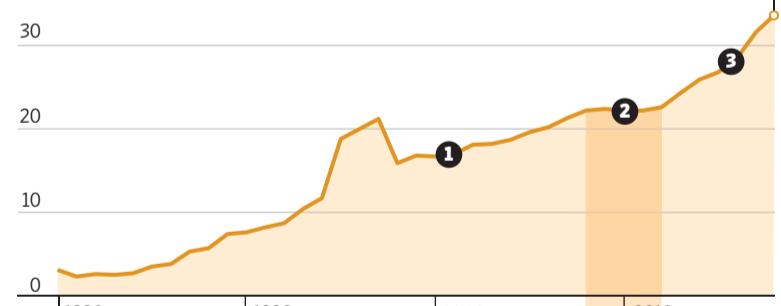
In 2008, the year before Stephen Curry entered the NBA, only three teams attempted more than 26% of their field goals from behind the 3-point line.



The Revolutionary Warriors

How the NBA learned to love 3-pointers

The percentage of NBA shots that were 3-pointers (3PA/FGA)



1. The Rise (1980-07)

The 3-point line was added before the 1980 season, and NBA teams took more threes every year as they slowly embraced the game's latest innovation, which was initially dismissed as a novelty.

There's a simple formula for success in the NBA these days," wrote Hollinger, who is now a Memphis Grizzlies executive. "If you want to exceed expectations, start bombing away from downtown. And if you want to disappoint everyone, stop."

The Orlando Magic were one of the first teams to stumble on this exciting new way to play and push the game forward. And it only happened because Orlando forward Tony Battie injured his shoulder in a pickup game before the 2007-08 season, and the Magic were forced to start experimenting with a lineup of two guards and two small-ball forwards around center Dwight Howard.

The Magic went to the NBA Finals the next season. Their contrarian style is conventional now that Houston takes 50% of its

2. The Plateau (2008-12)

But the boom ended. The number of field-goal attempts across the league that were 3-pointers hit 22% and then settled there for the next five seasons. That seemed to be the sport's equilibrium.

Note: The NBA moved the line closer in 1994-1995 and back to its original distance in 1997-1998
Sources: Basketball Reference, Stats LLC

THE WALL STREET JOURNAL.

shots from behind the arc, but when the Magic relied on 3-pointers for 35% of their field-goal attempts, they sensed it was only a matter of time before other teams caught onto their edge.

"Back then," said Rockets forward Ryan Anderson, who also played for those Magic teams, "it felt like we were taking more threes than we are now because it was abnormal."

As teams studied ways to break the defensive stranglehold on the game, the smartest ones pored through data and came to believe that 3-pointers were a market inefficiency waiting to be exploited.

But acting on that idea wasn't so easy. "There are analytical reasons to do it, but then I'm not sure many thought it was possible or prudent," Myers said. NBA teams also had to fight biases that persisted in a league that frequently dismissed 3-pointers with a four-letter word: soft.

"Coaches didn't like it. They

didn't think it was coaching. It was just loosey-goosey," said Rockets coach Mike D'Antoni.

Myers always believed there were psychological incentives to shoot more 3-pointers. "I remember viscerally feeling that when you were rooting for a team and the other team hit a 3-pointer, it felt like five points," he said.

"Those shots hurt more than they actually even did." Golden State started taking more of those shots.

But the Warriors are no longer outliers. The rest of the league adapted to such a degree that Golden State has become average: 15th of 30 teams in 3-point reliance this season.

The question that fascinates and frustrates bright minds across the NBA is what comes next. NBA teams in the future might look back at this season and wonder the same thing they're asking today about five years ago.

Why weren't we taking more 3-pointers?

puzzling. How was an entire league so wrong for so long about something that now seems so obvious?

"The idea that 3 points is 1.5 more times than 2 sounds simple, but it took a lot of time," said Golden State president of basketball operations Bob Myers.

In the beginning, the 3-pointer was a gimmick. The percentage of field-goal attempts that were 3-point attempts was only 3.1% in 1980. It increased to 7.6% in 1990 and 16.7% in 2000 before it hit 22.2%. And then it leveled off.

But near the end of the 2009 regular season, when the number of 3-pointers attempted held steady, the former ESPN analyst John Hollinger published an influential article identifying one statistic that correlated to winning: the number of 3-pointers attempted.

didn't think it was coaching. It was just loosey-goosey," said Rockets coach Mike D'Antoni.

Myers always believed there were psychological incentives to shoot more 3-pointers. "I remember viscerally feeling that when you were rooting for a team and the other team hit a 3-pointer, it felt like five points," he said.

"Those shots hurt more than they actually even did." Golden State started taking more of those shots.

But the Warriors are no longer outliers. The rest of the league adapted to such a degree that Golden State has become average: 15th of 30 teams in 3-point reliance this season.

The question that fascinates and frustrates bright minds across the NBA is what comes next. NBA teams in the future might look back at this season and wonder the same thing they're asking today about five years ago.

Why weren't we taking more 3-pointers?

OPINION

REVIEW & OUTLOOK

High Stakes in Syria

Donald Trump treasures nothing more than unconstrained access to the world through Twitter. So you know the President is having a bad week when his tweets come back to haunt even him, as they have with Syria. The Syrian tweets were especially damaging—to him personally and his role as Commander in Chief of the U.S. military.

After tweeting that the U.S. is planning missile strikes against Syria and its patron Russia, the twitterverse resurrected his past words mocking Barack Obama for “broadcasting when we are going to attack Syria.” Mr. Trump has little use for consistency, but the contradiction is an acute embarrassment.

By Thursday military analysts were saying that Mr. Trump’s premature public announcements of missile strikes had compromised the U.S. ability to execute a coordinated, effective response to Syrian strongman Bashar Assad’s likely use of chemical weapons against civilians in Douma. Amid this confusion, the President tweeted what for him was a *mea culpa*: “Never said when an attack on Syria would take place. Could be very soon or not so soon at all!”

It is never easy to figure where Mr. Trump’s omnipresent persona connects with real policy, but Syria is the moment to make the effort. Beyond the Trump tweets lie harsh realities that need to be addressed. It’s true that Mr. Obama’s inaction dealt the Trump Presidency a tough hand in the Middle East, and that Mr. Trump struck the Assad forces last April with Tomahawk cruise missiles. He also allowed the Pentagon to intensify its effort to erode Islamic State in Iraq and Syria.

Since then, though, Mr. Trump has shown ambivalence toward the region, saying in Ohio recently that “We’ll be coming out of Syria, like, very soon.” His ambivalence has produced unfortunate results. The U.S. has had no identifiable policy toward Syria in a year. Meanwhile, Russia and Iran have moved to consolidate a joint hegemony that would dominate Syria and Iraq and threaten Israel.

Iran’s goal, beyond extending its political dominance from Tehran to the Mediterranean, is to use Syria as a military base to station an army of Hezbollah fighters backed by the Iranian Revolutionary Guard Corps. The target is Israel. The risk is a Middle East war that inevitably would draw in the U.S.

Turkey, a NATO ally, has interpreted U.S. ambivalence as a pretext to settle old scores against Syria’s Kurds. That undermines our influence in the region and will erode hard-won gains against Islamic State, which is dispersed but survives.

Surveying all this is Vladimir Putin, whose

troops and irregular forces, supported by Iran, have enabled Assad to obliterate his opposition in Aleppo, Ghouta and now, with chemical weapons, Douma. This is another day at the office for the opportunistic Mr. Putin, who has obtained long-term leases with Syria on the naval base in Tartus and the air base at Hmeimim.

Keeping Russia out of the Middle East was a signature U.S. achievement during the Cold War. Now Russia has platforms for threatening NATO’s southern flank, as it is already doing with active military operations across the Baltic and North Seas.

Against this backdrop, we would argue there is no need for a token strike in the next few days merely to make good on the President’s Wednesday tweet. There isn’t much utility in destroying an Assad air base or two, which Russia, Iran and Syria would regard as a small price to pay for their gains the past year.

The goal now, in an extremely difficult situation, should be for the U.S. to formulate a response that acts as a deterrent. The word “deterrent” is key. Last year’s Tomahawk strike could have been a deterrent if it had been followed up with other measures. It was not.

Messrs. Putin, Assad and Iranian Supreme Leader Ali Khamenei concluded it was a gesture, and they moved forward. Israel already has recognized the distinction—and the stakes. Its warplanes have been carrying out strikes repeatedly against military targets inside Syria against Iran and Hezbollah.

Despite his confusion this week, Mr. Trump has in place the basis for shaping a strategy. He says that he finally has a national security team with which he feels comfortable. Alongside Defense Secretary Jim Mattis, his new National Security Adviser John Bolton arrived Monday, and Mike Pompeo, whose confirmation hearings for Secretary of State began Thursday, will be on board soon.

Mr. Trump—and the United States—also has willing NATO allies in France’s Emmanuel Macron and the U.K.’s Theresa May. Saudi Arabia’s Crown Prince Mohammed bin Salman made clear his country’s commitment during his recent visit to the U.S.

Mr. Trump needs to give this team and its allies time to shape a strategy the world will recognize as a sustained commitment to deterring Russian and Iranian aggression in the region and, yes, Assad’s “animal” assaults on Syrian civilians. What is needed is a substantial degradation of the Syrian regime’s military capacity. That may well include calling Mr. Putin’s bluff on collateral Russian casualties.

Meanwhile, let the Twitter account go silent on Syria. The next public event needs to be a display of effective American leadership.

Trump’s Pacific Rim Shot

It’s not the Trump Administration, it’s an adventure, and on Thursday there was a glint of good news on trade of all things. In a meeting with Republicans from farm states, President Trump directed his advisers to examine if the U.S. could negotiate its way back into the Pacific trade deal he walked away from in 2017.

Who knows if this was merely another please-the-crowd attempt that will vanish like a tweet. But those in the room say Mr. Trump directed chief economic adviser Larry Kudlow and trade negotiator Robert Lighthizer to see if they could negotiate a better deal than the original one.

That won’t be easy, not least because Mr. Lighthizer was barely out the door before he or his office was telling reporters the directive wasn’t serious. But later in the afternoon deputy press secretary Lindsay Walters confirmed that the President had asked the two advisers to try. Let’s hope they make the effort.

Our sources say Mr. Trump was responding

Getting back into TPP would be strategic leverage with China.

in particular to an argument that the Trans-Pacific Partnership (TPP) would be economic and strategic leverage with China, which isn’t a member of the 11-nation pact. That’s an argument some of us made before Mr. Trump withdrew. But now that he’s in a trade showdown with Beijing, Mr. Trump might see the logic of better trade relations with other Pacific nations.

Mr. Trump is also hearing that his tariff-first policy is setting up farm states for an economic beating from foreign retaliation. American growers are petrified they’ll lose export markets. Midwest farmers tend to rotate soybeans and corn, and they face a decision soon about which to plant this year.

If they plant beans, will they lose big if China slaps on a 25% tariff? Or if they grow corn, will so many others do the same that prices plunge? This is the political uncertainty that Mr. Trump’s trade policy has added to the other risks of farming. All the more reason to open up non-China markets to U.S. growers.

Auto-Lending Lemon Repeal

Deregulation has been a major Republican policy success in the current Congress, and the GOP may not be done. Next up for the potential axe: The notorious auto-lending rule.

This is an Obama Administration classic. Recall that Dodd-Frank expressly prohibited the Consumer Financial Protection Bureau from regulating auto dealers. That didn’t stop former CFPB chief Richard Cordray, who used the back door of auto-financing to regulate dealers. He set about trying to show that minorities pay higher interest rates than whites on vehicle loans facilitated by car dealers.

But since dealers are barred by law from collecting data on race, Mr. Cordray used statistical models to guess the race of borrowers based on surnames and addresses. In 2013 the CFPB issued “guidance” requiring lenders and dealers to change their practices to account for “disparate impact” based on whether borrowers were, say, a Johnson (black) or an O’Hara (must be white). The “guidance” ruse also let Mr. Cordray duck the rule-making process with its formal public-notice period.

The bureau proceeded to use the rule to charge discrimination and coerce settlements from auto lenders. Ally Bank of Detroit was bludgeoned into paying \$80 million in damages and

\$18 million in penalties without being accused of a specific act of discrimination. In 2015 the CFPB extended this “guidance” to nonbank auto-finance companies.

Relief may finally be on the way thanks to Senator Pat Toomey, among others. Last year the Pennsylvania Republican asked the Government Accountability Office (GAO) to judge whether the guidance was the equivalent of a rule under the Congressional Review Act—the law Republicans have used to overturn more than a dozen Obama regulations.

The GAO took its time but on Dec. 5 confirmed that the auto-lender guidance is a rule under CRA. That finding gives Congress 60 legislative days (up to about May 10) to overturn the rule with simple majorities in the House and Senate. Kansas Republican Jerry Moran has introduced a repeal resolution, and we’re told Senate leaders will make that vote a priority.

Repeal should have bipartisan support given the reach of car dealers around the country. In November 2015 the House voted 332-96 to nullify the auto-lender rule, though the Senate never acted amid a filibuster threat. The days of GOP control of Congress may be numbered, so Republicans should pile up as many policy victories as possible while they can.

Congress has a chance to kill one of Obama’s worst rules.

Letters intended for publication should be addressed to: The Editor, 1211 Avenue of the Americas, New York, NY 10036, or emailed to wsj.ltrs@wsj.com. Please include your city and state. All letters are subject to editing, and unpublished letters can be neither acknowledged nor returned.

JAMES W. BENEFIELD
Dunedin, Fla.

LETTERS TO THE EDITOR

Lower Standards Lead to Degree Inflation

Regarding Frederick M. Hess and Grant Addison’s “Degree Inflation and Discrimination” (op-ed, April 3): As we debate the legal arguments surrounding the protection of job applicants who haven’t finished college, we must also remember the economic argument that leads to the practice. Employers are simply trying to solve the adverse selection problem when applicants lack a credible way of signaling how good they are for the job. Not only does a college degree confirm the baseline verbal and written skills (as the authors point out), it also signals determination, discipline, commitment and other intangibles that employers look for in their applicants. Therefore, while the job in question may not need a college degree, it needs these other qualities, which, at the moment, a college degree appears to signal best. The solution, then, may not be to sue the employer but for the job applicant to figure out a way of credibly communicating these qualities.

PROF. SUBIMAL CHATTERJEE
Binghamton University, SUNY
Binghamton, N.Y.

It’s too bad that employers have still not accepted that, for the most part, college degrees do not correlate with higher productivity or profits. As long ago as 1970, Ivar Berg, in his classic book, “Education and Jobs: The Great Training Robbery,” wrote that “to argue that well-educated

cated people will automatically boost efficiency, improve organizations, and so on, may be to misunderstand in a fundamental way the nature of American education, which functions to an important, indeed depressing extent as a licensing agency.” Little has changed in the last 50 years.

ROBERT NEUMAN
Davis, Calif.

I don’t know how anyone can say that getting an education is a waste. I’ve been unemployed since August 2017 and can tell you first hand that there are companies advertising jobs that are really sales positions, meaning commission only, not salaried. I’m almost 50 years old and don’t have a college degree, but I do have over 25-plus years of experience. Yet somehow my years of experience mean nothing.

We, the experienced unemployed, are out here, but do employees really want us? I’ve sent out hundreds of resumes in reply to job postings, but have only had about 20 interviews, most of them phone interviews. I’ve even had my resume rejected out of hand because I’m “overqualified or too experienced.” Hey, I know I’ll be taking a pay cut, but I still need a job.

And what about all the companies paying people under the table? Isn’t that a big reason why there are fewer jobs available?

ALAN BAUMHOL
Jamaica, N.Y.

Weight Doesn’t Equal Safety in Cars, Trucks

In “Coffee Won’t Kill You, But CAFE Might” (op-ed April 5) on automotive corporate average fuel economy (CAFE) regulations, Sam Kazman confuses size and weight in considering safety. They are distinct attributes, and size—not weight—is the leading automotive safety determinant. Bigger vehicles offer greater crush space than do smaller ones. Light, yet strong materials help auto makers keep or increase size for safety while reducing weight for better efficiency and performance.

One need look no further than Ford’s top-selling, highly profitable F-150 to disprove the commentary’s premise. The older, steel-bodied F-150 received a 4-star safety rating, while the newer, aluminum-bodied F-150—more than 700 pounds lighter—upgraded to a perfect 5-star crash rating from safety regulators. This is due, in part, to aluminum’s

superior ability to absorb crash forces to better protect vehicle occupants. The lighter F-150 also delivers the highest fuel economy for all gas-powered trucks of its size, best-in-class towing and payload capacity, and the lowest emissions. Lighter yet stronger material is also used in electric vehicles, like Tesla’s, which rely on an aluminum body to cut weight and extend the battery range of its 5-star safety-rated Model S.

From traditional pickups to emerging electric vehicles and everything in between, lighter vehicles on the road today confirm autos can be designed not just to be better for consumers and the environment, but safer than their heavier predecessors.

HEIDI BROCK
President & CEO
The Aluminum Association
Arlington, Va.

Blue Eyes vs. Brown: Triumph or Child Abuse?

What an inspiring story Michael Judge tells (“My Grandfather and the Blue Eyes-Brown Eyes’ Lesson,” op-ed, April 7) about a courageous teacher and an equally courageous principal who backed him when he came under attack in 1968 for teaching his young students about racial tolerance. I couldn’t help contrasting this with accounts of recent attacks on Prof. Amy Wax of the University of Pennsylvania Law School who was persecuted for suggesting, among other things, that fathers should take responsibility for the children they sire and that affirmative-action policies may harm the people they are supposed to be helping. Do we really have to go back 50 years to

find inspiring stories about courageous educators?

FRED SELLERS
Georgetown, Texas

I must have been about 10 years old when I was subjected to the Blue Eyes-Brown Eyes lesson in elementary school. At that point it was one of the most disturbing and emotional things I had ever experienced. Teachers whom I once looked up to were subjecting me to irrational and arbitrary treatment based on my eye color.

I relayed this to my parents. My father was a lifelong educational professional and an elementary-school principal in the Denver public-school system. He was astounded. He called my school’s leadership and received a complete apology. I was very proud of my father, and never held my teachers in the same respect. This exercise is child abuse, and I’m amazed that Mr. Judge is proud of it.

DALE L. McCONNELL
San Francisco

It’s ironic: On the same day the Journal reported on the merits of the Blue Eyes-Brown Eyes experiment as a means to reduce bias and discrimination, I received a notice from the Fertility Institute: “New! Now! Choose your baby’s eye color and gender.”

GALE LARGEY
Mansfield, Pa.

Pepper ... And Salt

THE WALL STREET JOURNAL

The cartoon shows a man with a mustache and a bow tie standing next to a chalkboard. The chalkboard is filled with various mathematical formulas, including integrals, derivatives, and algebraic expressions. The man appears to be a teacher or professor, possibly explaining a complex concept. The overall tone is academic and humorous.

“I found another deduction.”

OPINION

The Women's March Holds A One-Way 'Discussion'

By Kassy Dillon

South Hadley, Mass. I'm a student at Mount Holyoke College, a women's liberal-arts school, which last weekend hosted the 2018 Women of Color Trailblazers Leadership Conference. Keynote speakers included National Women's March founders Tamika Mallory, Carmen Perez and Linda Sarsour.

As president of the Mount Holyoke College Republicans, I was looking forward to this event, billed as a "discussion." I was excited to engage the ideas presented by these far-left figures and cover the event on my online publication, Lone Conservative.

When its leaders came to my campus, photos and recording were barred, and questions were screened.

But outside the conference venue, I was greeted by signs prohibiting photography and recording. Audience members weren't permitted to ask questions directly to the speakers. Instead, we had to write them on note cards, and only preapproved questions would be answered during the 15 minutes dedicated to Q&A. Some discussion.

As I walked in, I could feel my peers glaring at me—a familiar enough experience for an outspoken Republican on a campus full of leftist women. But I was surprised that only about 75 people showed up, in a room that can hold up to a thousand.

I wrote a question on my note card. It wasn't asked. But Ms. Mallory did notice my live tweeting of the event. "There is someone here at this school who is on Twitter lying saying this room is empty and that all of you are not here," she said, knowing I was forbidden to take photos to prove my claim.

As for Ms. Sarsour, she said: "In 30 years from now you'll be asking, 'Where were you during this fascist administration?'" I silently answered: *Sitting in a room, listening to you exercise your free speech without restriction.*

I did not care for the choice of speakers. Ms. Sarsour once told Ayaan Hirsi Ali, a survivor of female genital mutilation, that she doesn't "deserve" to be a woman. In March Ms. Mallory wrote of the Nation of Islam that she has "always held them close to my heart"—this after its leader, Louis Farrakhan, doubled down on his longstanding anti-Semitic views in a rant about "Satanic Jews."

Nevertheless, I welcomed the event because I believe in free speech. Instead of calling for these divisive speakers to be disinvited, as leftist students often do, my campus group planned a Conservative Women Summit, held this Wednesday, which featured five speakers offering different perspectives.

I have worked to promote free speech throughout my four years in college. I believe in civility and real discussion, so I would never disrupt an event. Instead, I prefer to ask tough questions. This event only allowed scripted ones, because the Women's March founders knew they couldn't defend their ugly and radical ideas.

Ms. Dillon is a senior at Mount Holyoke College studying international relations and Middle Eastern studies. She is the MHC College Republican president and founder of LoneConservative.com.

THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

Rupert Murdoch

Executive Chairman, News Corp

Gerard Baker

Editor in Chief

Matthew J. Murray

Executive Editor

Karen Miller Pensiero

Managing Editor

Jason Anders, Chief News Editor; **Thorold Barker**, Europe; **Elena Chernyayev**, Coverage Planning**Andrew Dowell**, Asia; **Neil Lipschutz**, Standards;**Meg Marco**, Digital Content Strategy;**Alex Martin**, Writing; **Mike Miller**, Features &**Weekend**; **Shazna Nessa**, Visuals;**Rajiv Pant**, Technology; **Ann Podd**, News Production; **Matthew Rose**, Enterprise;**Michael Siconolfi**, Investigations;**Nikki Waller**, Live Journalism;**Stephen Wisniewski**, Professional News;**Carla Zanoni**, Audience & Analytics**Paul A. Gigot**, Editor of the Editorial Page;**Daniel Henninger**, Deputy Editor, Editorial Page**WALL STREET JOURNAL MANAGEMENT:****Joseph B. Vincent**, Operations;**Larry L. Hoffman**, Production**EDITORIAL AND CORPORATE HEADQUARTERS:**

1211 Avenue of the Americas, New York, N.Y., 10036

Telephone 1-800-DOWJONES

Terror Plot? There's an App for That

By Steven Stalinsky

Right now Islamic State and its followers around the world are using mobile devices to choose targets, discuss methods and timing, and even raise funds. With the aid of encrypted messaging apps—most of which are developed by Western companies—these terrorists can communicate fully out of sight of intelligence and law-enforcement agencies. The murders of countless innocent people have been planned this way, and most Western leaders seem unsure about how to stop it.

Counterterrorism officials are overwhelmed by the sheer number of potential terrorists using these apps on mobile devices. They are further handicapped by their inability to access the encrypted information, which could help them stop attacks. In a January speech at the International Conference on Cyber Security, FBI Director Christopher Wray called the threat from terrorist use of encrypted apps "an urgent public safety issue." He revealed that, as part of lawful investigations, the FBI had tried and failed to access encrypted information on nearly 8,000 devices in 2017. Appealing to the technology sector for help, Mr. Wray said: "I'm open to all kinds of ideas, because I reject this notion that there could be such a place that no matter what kind of lawful authority you have, it's utterly beyond reach to protect innocent citizens."

In response, Sen. Ron Wyden (D., Ore.) wrote a highly critical letter. He called Mr. Wray's speech "ill-informed" and damaging to America's security, economy and freedom: "Building secure software is extremely difficult . . . and introducing vulnerabilities would likely create catastrophic unintended consequences that could debilitate software functionality and security entirely."

Terrorist groups play close attention to these debates. They learn from Western leaders' words and actions and adjust their behavior accordingly. Many groups rely on secure communications for maintaining their global networks and recruitment efforts. ISIS members,



CHRISTOPHER SERRA

affiliates and sympathizers are constantly sharing information, tutorials and recommendations about encryption. Over the past year, jihadist propaganda operations such as the al-Hayat Media Center and the al-Naba newsletter have published how-to articles on encryption.

The number of encryption apps used and experimented with by terrorist groups is constantly increasing. Many of the companies responsible for developing and disseminating these apps are based in Europe, where officials have been quick to criticize American social-media companies like Facebook, Twitter and YouTube for hosting terrorist content. These same officials have been notably slow in addressing the terrorists' affinity for platforms based in their own countries.

Encrypted messaging systems pose a real threat, and Western leaders need to engage their creators.

The editors of the online English-language jihadist magazine Al-Haqiqah accept reader comments and suggestions via Tutanota, a Hanover, Germany-based encrypted email platform. Switzerland-based ProtonMail, which brags that its encrypted email service is "NSA-proof," is frequently used by the

Telegram, currently the terrorists' app of choice, states on its website that most of its developers "originally come from St. Petersburg," but "had to leave Russia due to local IT regulations." In recent years, Telegram "has tried a number of locations as its base, including Berlin, London and Singapore." The company is now based in Dubai until "local regulations change." Telegram CEO Pavel Durov earlier created the popular Russian social-media platform VK, which offers its own internal encryption setting and is widely used by Russian-speaking jihadists.

The editors of the online English-language jihadist magazine Al-Haqiqah accept reader comments and suggestions via Tutanota, a Hanover, Germany-based encrypted email platform. Switzerland-based ProtonMail, which brags that its encrypted email service is "NSA-proof," is frequently used by the

pro-ISIS hacking group United Cyber Caliphate.

In 2016, five ISIS-linked terrorists used Threema, another Switzerland-based encrypted app, to plan an attack on a bakery in Dhaka, Bangladesh, that left 29 people dead. The suicide bomber who killed 22 and injured more than 500 at a May 2017 Ariana Grande concert in England used the Austin, Texas-based encrypted app Zello to communicate with his ISIS handlers. Before being killed by a U.S. drone strike in Syria, the 21-year old ISIS hacker Junaid Hussain reportedly used the encrypted Canadian mobile messaging app Kik to coordinate cyberattacks on Defense Department computer servers.

After the 2015 mass-shooting attack at the Inland Regional Center in San Bernardino, Calif., the FBI sought to force Apple to help it unlock an iPhone belonging to perpetrators Syed Farook and Tashfeen Malik. That spawned a debate about terrorist use of encryption technology, which has since gone global. Even as Silicon Valley social-media giants are cooperating with government officials to help keep bad actors off their platforms, a new generation of messaging services based outside the U.S. are—wittingly or unwittingly—catering to the terrorists' need for electronic secrecy.

In a world of increasingly cyber-savvy terrorist threats, the developers of encrypted apps for mobile devices need to take greater responsibility for the uses to which their technologies are being put. At the same time, Western leaders need to find ways to work productively with the developers of encrypted app technology to help keep their citizens safe.

The FBI can't do it alone.

Mr. Stalinsky is executive director of the Middle East Media Research Institute and author of "*American Traitor: The Rise and Fall of Al-Qaeda's U.S. Born Leader Adam Gadahn*" (MEMRI, 2017).

When Governments Refuse to Choose



POLITICAL ECONOMICS
By **Joseph C. Sternberg**

London House Speaker Paul Ryan's impending departure is a blow for many reasons. One is that without politicians like him, you end up with crises like London's current crime wave.

That isn't hyperbole, even if the recent headlines saying London's murder rate exceeds New York City's are misleading. The British capital recorded 37 murders in February and March, compared with 32 among the similar population of New York. London's year-to-date murder trend is up compared with last year, while New York's is down. Many of those London deaths are stabbings or shootings related to gang activity. It isn't quite Chicago-on-Thames, but it's still worrying after a long spell of low crime rates.

The trend is in part a result of the failure of a particular kind of center-right governance. The right is typically associated with fiscal prudence, but there are different kinds of it, and since 2010 Britain's Conservatives have chosen the wrong kind.

David Cameron and George Osborne, Britain's prime minister and chancellor of the Exchequer, respectively, between 2010 and 2016, staked their political fortunes on "austerity," plain and simple. They coupled a substantial corporate tax-rate cut, to 17% by 2020 from 30% in 2008, with spending reductions of a bit more than 10% overall. This reversed the run-up in spending and debt after the 2008 panic. But it still amounted to a spending increase relative to the size of the economy, to 39.3% of gross domestic product from 39% in 2007.

Nevertheless, I welcomed the event because I believe in free speech. Instead of calling for these divisive speakers to be disinvited, as leftist students often do, my campus group planned a Conservative Women Summit, held this Wednesday, which featured five speakers offering different perspectives.

I have worked to promote free speech throughout my four years in college. I believe in civility and real discussion, so I would never disrupt an event. Instead, I prefer to ask tough questions. This event only allowed scripted ones, because the Women's March founders knew they couldn't defend their ugly and radical ideas.

Ms. Dillon is a senior at Mount Holyoke College studying international relations and Middle Eastern studies. She is the MHC College Republican president and founder of LoneConservative.com.

The only problem? This fiscal program can't rightly be called a success by any measure. Not even its own: The deficit hasn't disappeared and shows no signs of doing so anytime soon, despite the growth boost from the corporate tax-rate cuts and an increase in consumption taxes that has been punishing for low-income households.

The deeper failure is one of basic governance. Choosing austerity means refusing to choose in any meaningful way. The Conservatives' short-term focus on deficit targets elided a bigger argument about how to reform the long-term drivers of government spending.

Austerity's main effect was not to rebalance the budget, but to unbalance it differently. Defense fell to 5% of total spending from 5.7% in 2007; education, to 11.5% from 13%. Health spending, meanwhile, grew to 18.3% from 16.8%. Medical and old-age spending is where the money is. Left unchecked, old-age entitlements, including pensions and health care, will steadily crowd out every other spending priority by the 2060s.

London's new crime wave is one of the results. Police spending was easy to cut in the era of intellectually lazy austerity, especially when

crime rates were falling. The Conservative government after 2010 substantially reduced the inflation-adjusted budgets of both the Home Office, which is responsible for policing, and the Justice Department. Public safety's share of total spending declined to 4% from 5.6%. The number of police officers in Britain fell to around 123,000 in 2017 from nearly 144,000 in 2010.

The U.K. attempted the 'conservative' alternative to Paul Ryan. The results haven't been pretty.

Many factors make a crime wave. But in general there's a correlation between spending on security and the level of security the public enjoys. The current government of Prime Minister Theresa May admits, however indirectly, that the Tories got this balance wrong. An internal Home Office report this week argued that cuts to police are "not the main driver" of rising crime but have "likely contributed" to it.

All of us in Western democracies have become so inured to reckless

governance that we can fail to notice how shocking this trend is. Providing security in the streets is supposed to be a hallmark of the modern state. But political leaders now find it easier to neglect that duty than to argue for entitlement reform—and voters punish them if they try to do any differently.

Paul Ryan bucked the trend, or tried to. The departing speaker's central insight is that serious governments have to choose. His yearslong effort to reform America's entitlements was really an attempt to guide a new debate about the "what" and "why" of government spending. The shame of the Ryan years—and it's our shame as voters, not his—is that too few Republicans, let alone citizens at large, were prepared to engage that discussion seriously.

The dangerous alternative into which parties of the right too often fall is to obsess solely over the fiscal "how much." Republicans are as prone to this failure as their British Conservative counterparts. The mark of a party that's truly ready to lead will not be the passage of a gimmicky and futile balanced-budget requirement. It will be a political commitment to the entitlement reforms without which a balanced budget will never be possible.

Don't Blame Tips for Sexual Harassment

By Dawn Lafreeda

For years I was told that running a full-service restaurant was a man's game. I still remember the response from the banker I approached in 1984 to open my first company account: "Young lady, are you sure you're not the waitress?" I was a waitress at one time—saving my tips and maxing out credit cards to buy my first restaurant—but not that day.

A lot has changed. Today I'm the owner-operator of 81 Denny's restaurants across the South and Midwest. I don't get many double-takes when I try to open a bank account, but I still encounter people who suggest women can't fend for themselves in the restaurant industry.

Consider the claimed link between sexual harassment and tips. Because female servers earn most of their compensation through tip income, the narrative goes, they're forced to put up with bad behavior from customers. We're told that women are powerless victims, so dependent on the customer for their next dollar that they'll tolerate any boorish behavior.

But that doesn't describe the thousands of women I work with. Servers in my restaurants, especially women, don't see tip income

as a drawback. It's a great feature of the job. Having cash at the end of the day—and not just on payday—helps a lot. Bad behavior is an occasional problem in any industry, but blaming the tipping system insults millions of women who benefit from it.

I own and operate 81 restaurants. Waitresses see gratuities as a great feature of the job.

Yet some want to do away with tipping. New York Gov. Andrew Cuomo is considering a proposal to eliminate the lower minimum wage for tipped workers. This could lead to the end of tipping.

The theory is that replacing tips with a higher base wage will reduce sexual harassment. In reality it will result in less take-home pay for a large section of the hourly labor force. New York restaurateurs have already learned that lesson the hard way. Servers are fleeing restaurants that try higher base wages in lieu of tips. Some 97% of restaurant staff prefer the status quo to a tipless alternative, according to data from Upserve. Even a base wage of \$20

an hour wouldn't compensate many servers for the income they would lose if tips disappeared.

Jobs, not only income, are on the line too. In states that have followed the wage model now proposed for New York, dramatically higher labor costs have forced unreasonable price hikes, which not all customers are willing to pay. San Francisco's experiment with a high base wage for wait staff led to an increase in restaurant closures each time the rate was increased, according to a 2017 Harvard study. Equal Employment Opportunity Commission data show that California also has a higher rate of restaurant-related sexual harassment claims than New York, suggesting a state's tipping system has nothing to do with customers' bad behavior.

I don't own restaurants in New York, and my employees won't be harmed by Mr. Cuomo's proposed policy. But I'm still concerned that an idea based on such scant evidence could ruin countless servers' income opportunities. Here's my tip for the governor: Listen to the servers affected by this proposal. This is one so-called "raise" they don't want.

Ms. Lafreeda is owner-operator of Den-Tex Central, which owns 81 Denny's restaurants.

WORLD NEWS

China Flexes Muscle With Naval Flotilla

Xi's show of force in South China Sea is latest move reflecting Beijing's military might

BY JEREMY PAGE

BEIJING—China staged a show of force in the disputed South China Sea, with President Xi Jinping presiding over the country's biggest-ever parade of naval ships, submarines and aircraft.

As Mr. Xi watched the procession off China's southern coast on Thursday, a maritime agency said live-fire naval drills would be held to the north in the stretch of water that separates the Chinese mainland from the island of Taiwan, which Beijing sees as a rebel province.

The maneuvers are Mr. Xi's latest moves to showcase China's military might. It is a growing concern to the U.S. and its partners, especially since Beijing stepped up efforts in recent years to assert its territorial claims in the South China Sea, an area vital for global shipping.

Mr. Xi, who is China's military commander-in-chief, boarded a guided-missile destroyer to review a parade of 48 vessels—including nuclear missile submarines and China's first aircraft carrier—sailing in formation off the island province of Hainan, state television showed.

Wearing military fatigues, Mr. Xi was shown watching J-15 fighter jets taking off from the carrier, the Liaoning,



Chinese President Xi Jinping reviewed the People's Liberation Army naval parade in the South China Sea on Thursday.

showed more than 40 ships sailing in formation near Hainan.

The drills came as a U.S. aircraft carrier, the Theodore Roosevelt, visited the region, stopping in Singapore last week and arriving on Wednesday in the Philippines, a U.S. treaty ally whose territorial claims overlap with Beijing's in the South China Sea.

The Chinese exercises took place from March 24 to April 5 off the coast of southern Guangdong province and then moved farther south off the coast of Hainan, where they concluded on Thursday, according to notices from the provinces' maritime-safety administrations.

Another live-fire drill is scheduled to take place Wednesday in the Taiwan Strait, according to the maritime-safety administration of Fujian province, which lies opposite Taiwan. It didn't provide further details.

Tensions have also been rising between the Chinese leadership and Taiwan, the democratically ruled island that split from the mainland in a civil war nearly seven decades ago and whose current government has refused to endorse Mr. Xi's preferred formulation for relations between the two sides.

Taiwan's defense ministry said the exercises appeared to be part of routine annual drills and that they were fully capable of responding.

"Citizens, please feel at ease," the ministry said.

—Xiao Xiao contributed to this article.

A Plea Further Secures Xi's Grip on Power

BY CHUN HAN WONG

BEIJING—A purged Communist Party politician once regarded as a future Chinese leader stood trial on corruption charges in a case seen as part of an effort by President Xi Jinping to neutralize potential political rivals.

Sun Zhengcai, a member of the ruling Politburo until his abrupt removal last year, pleaded guilty and expressed remorse for taking bribes worth millions of dollars and abusing his power during his half-day trial on Thursday, according to a statement on the trial court's official microblog.

Prosecutors alleged that Mr. Sun's crimes stretch back 15 years before his removal, a period when he rose up the ranks, running a suburban Beijing district, the Agriculture Ministry, the northeastern province of Jilin and the inland megacity of Chongqing.

Many China politics experts and some party insiders attribute Mr. Sun's downfall to his reputation as a possible next-

generation leader whose rise and allegiances lay in his ties to senior party figures other than Mr. Xi.

The goal in purging and denouncing Mr. Sun is to "set new rules and eliminate challengers" to Mr. Xi's power, said Wu Qiang, a current-affairs commentator and former politics lecturer in Beijing. "This also disrupts efforts by rival factions to renew themselves."

Neither Mr. Sun nor his lawyer, whom the court didn't identify, could be reached to comment.

Before he was placed under investigation in July, Mr. Sun was party chief of Chongqing and the youngest among the Politburo's 25 members. President Xi was preparing for a Communist Party congress in the fall that would mark his ascent as China's most powerful leader in decades and allow him to promote allies to senior posts.

Mr. Sun was the highest-ranking serving official snared by the sweeping anticorruption

TV report said.

"The mission of building a mighty people's navy has never been more urgent than it is today," Mr. Xi said. "Strive to make the people's navy a first-rate world navy."

The display was "clearly intended to underscore Beijing's interests in the South China Sea," said Andrew Erickson, an

expert on China's military at the U.S. Naval War College.

"It draws on its rapidly strengthening navy, which already has the world's largest number of ships—slightly more than the U.S. Navy," he said. "Also important is what Beijing didn't showcase in this event: To further its sovereignty claims in the South

China Sea and elsewhere, it employs two other sea forces.

China's coast guard and maritime militia likewise have the world's largest number of ships."

In recent days, U.S. officials said China appeared to be staging its biggest-ever naval exercises in the South China Sea, after satellite images

bailiffs.

Prosecutors accused Mr. Sun and unidentified associates of illegally accepting more than 170 million yuan (\$27 million) in assets in return for help winning project tenders, personnel appointments and other favors, the court said.

The trial was adjourned, the court said, and a verdict would be announced on an unspecified date.

Mr. Sun's downfall echoes the 2012 purge of Bo Xilai, who was also Chongqing's party chief and a rival to then-leader-in-waiting Mr. Xi. Mr. Bo was dismissed after his wife was implicated in the murder of a British businessman, and he is serving a life sentence for corruption and abuse of power—charges he denied during his trial.

The Tianjin court's microblog announced Mr. Sun's trial minutes after the hearing's scheduled start on Thursday morning. It said a public notice of the trial was posted Sunday.



Sun Zhengcai, seen last year when he was Chongqing party chief.

tion campaign that Mr. Xi has used to sideline rivals and consolidate power. Mr. Xi then promoted a protégé, Chen Min'er, as the new Chongqing party chief.

During Thursday's trial, Mr. Sun read his concluding statement off a piece of paper. "I sincerely plead guilty and express remorse," Mr. Sun said, according to state television footage. "I have only myself to

blame and deserve to be punished."

In China, where convictions in high-profile trials are typically foregone conclusions, defendants are expected to express remorse to get any leniency in sentencing.

The No. 1 Intermediate People's Court in the northern port city of Tianjin also posted photos on its microblog showing Mr. Sun flanked by two

Japan Reviews Foreign Labor

BY PETER LANDERS

TOKYO—Japan plans to create a new program for foreign workers to counteract a labor shortage, the government said Thursday, in what would be another crack in the island nation's longstanding resistance to immigrant labor.

Chief government spokesman Yoshihide Suga said a decision would be reached by summer on a "new framework that will make possible the acceptance of foreigners with a certain level of specialization or skill."

The new program would build on an existing one that has brought hundreds of thousands of foreigners to Japan for as long as five years as "trainees." They work in fields such as construction, agriculture and nursing care where the country suffers from what Mr. Suga called a "severe shortage of people."

As of Oct. 31, about 258,000 people were working in Japan under the program, up 22% from the previous year.

On paper, the program is designed to train foreigners from poorer nations such as Vietnam and the Philippines so they can learn skills to help their home countries develop.

In practice, the program serves employers who can't find Japanese people to fill difficult, low-paying jobs such as manual construction work, labor specialists say.

In response to criticism that the program left foreign workers vulnerable to abuses such as forced unpaid overtime, parliament passed a law that went into effect in November setting punishments for exploitative employers and avenues for workers to report abuses.

Prime Minister Shinzo Abe has repeatedly said he doesn't want to open the door for foreign laborers to immigrate to Japan and settle permanently, although many companies would eagerly hire such immigrants if they were available. The country has about 1.6 jobs open for every job seeker.

Employers have been turning to backdoor routes to hiring, such as the trainees or students who are allowed to work up to 28 hours a week. Overall, the number of foreign workers jumped 18% to nearly 1.3 million as of Oct. 31, a record.

Former President Warns of Economic Threat to Peru

BY RYAN DUBE

LIMA, Peru—The political turmoil that led Peru's Pedro Pablo Kuczynski to resign is hurting investor confidence and threatening to slow growth in one of Latin America's strongest economies, the former president said.

Mr. Kuczynski, a former World Bank economist, stepped down as he was facing a second impeachment vote over allegations of corruption, which he denied.

In his first interview since leaving office last month, Mr. Kuczynski warned the attempts to oust him from office set a bad precedent for the Andean nation as his successor, Martin Vizcarra, looks to stimulate the economy with investments in infrastructure.

"By pushing for an unconstitutional impeachment of the president, you put this whole situation at risk," said Mr. Kuczynski, 79 years old. "What will happen next?"

Private-sector economists have been cutting their forecast for growth this year as a result of the uncertainty. Brokerage Inteligo SAB said last month that political tensions risked undermining investments and that growth could fall to 2.8% in 2018 from a projected 4.8%. BBVA Research said the first quarter likely expanded 3% from the year-earlier period, rather than the



Pedro Pablo Kuczynski spoke on the phone as he vacated the presidential residence in March.

projected 4%.

"What is concerning is the constant political noise and its impact on confidence," said Hugo Perea, BBVA's chief economist in Peru.

Mr. Kuczynski's downfall came in the wake of a scandal involving Brazil's Odebrecht SA, which admitted in a plea deal with the U.S. Justice Department to paying nearly \$800 million in bribes to secure government contracts in Latin America and Africa. That

included \$29 million in Peru, where politicians from several parties have been ensnared in accusations of wrongdoing.

In December, a congressional committee led by Popular Force, the country's biggest opposition party, headed by Keiko Fujimori, released documents showing that more than a decade ago Odebrecht had paid \$780,000 to a Florida-based financial-consulting firm owned by Mr. Kuczynski. He was prime minister and fi-

nance minister when some of those payments were made.

Mr. Kuczynski said he had no contact with the firm while in government and that the contracts were managed by a Chilean business partner. Odebrecht confirmed the contracts were managed by Mr. Kuczynski's partner and weren't part of its corruption plea deal.

"There was nothing illegal, these weren't payments under the table," he said. "Obviously,

what the opposition tried to do is link me to that [scandal]."

Mr. Kuczynski survived an impeachment vote in December after 10 lawmakers from Popular Force, including Ms. Fujimori's younger brother Kenji Fujimori, abstained. But the president quickly came under fire again after pardoning Ms. Fujimori's father, former strongman Alberto Fujimori, who was serving a 25-year prison sentence for human-rights crimes and corruption.

Rights activists and leftist politicians accused Mr. Kuczynski of cutting a deal with the younger Mr. Fujimori: pardoning the former quasi-dictator in exchange for support in the impeachment vote.

"That is complete rubbish," said Mr. Kuczynski. He said he began the steps to issue the pardon in August but should have waited to release him from prison to avoid accusations of a quid pro quo.

In March, Mr. Kuczynski faced a second impeachment vote when Popular Force released secretly recorded videos it said showed government allies offering to reward opponents with public contracts in exchange for shielding the president. Mr. Kuczynski denied the accusations but stepped down.

"Nobody offered one cent to anybody," he said. "This was all a manufactured thing."

BUSINESS & FINANCE

© 2018 Dow Jones & Company. All Rights Reserved.

THE WALL STREET JOURNAL.

Friday, April 13, 2018 | B1

VW Picks Chief After Boardroom Coup

Herbert Diess gets top role; move comes nearly three years after diesel scandal hit car maker

BY WILLIAM BOSTON

BERLIN—Volkswagen AG's board ousted Chief Executive Matthias Müller and replaced him with Herbert Diess, who quietly orchestrated a boardroom coup as he also was rebuilding the company's namesake brand.

The move comes nearly three years after Volkswagen admitted to rigging 11 million diesel-powered vehicles to cheat on emissions tests, sparking a large recall and criminal prosecutions, while costing the company more than \$25 billion in fines, pen-

alties, consumer compensation and legal fees.

The global auto industry is undergoing big changes. Ever tougher emissions regulation is driving the development of electric cars, and technology companies are moving into the core business of conventional auto makers.

"In a phase of profound upheaval in the automotive industry, it is vital for Volkswagen to pick up speed," Mr. Diess said on Thursday.

Mr. Müller was made CEO in September 2015, replacing the disgraced chief, Martin Winterkorn, who was forced to resign in the wake of the diesel scandal.

Mr. Müller led a charge to overhaul the company's corporate culture, accelerate development of electric vehicles, and steer the com-

pany through its worst crisis ever.

Over the past few months, Mr. Müller lost favor with the company's core shareholders.

Mr. Diess, who was making progress turning around the sluggish Volkswagen brand, the company's biggest business by sales, began pressing shareholders quietly to oust Mr. Müller and put him in charge, according to people familiar with the situation.

Hans Dieter Pötsch, Volkswagen's chairman, said that Mr. Diess had "demonstrated to impressive effect the speed and rigor with which he can implement radical transformation."

In addition to the change at the top, Volkswagen's directors also approved a plan to

prepare its commercial-vehicle division, Volkswagen Truck & Bus, for a potential stock-market listing as early as next year.

The board also gave the green light to a reorganization



Mr. Diess met secretly with shareholders for months to craft a reorganization plan.

of the company's business units. Mr. Diess was instrumental in crafting the plan during months of talks with shareholders without Mr. Müller's knowledge, according to people familiar with the situation.

Under the plan, the company's passenger-car brands that include such storied marques as Volkswagen, Audi, Porsche and Lamborghini, would lose some independence and be grouped into three passenger car divisions: Volume brands, Premium brands, and Super Premium brands.

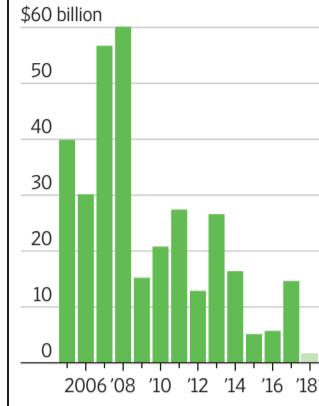
Under the reorganization, the mass-volume car brands VW, Seat, Skoda and VW's small vans and trucks unit would be grouped together, people familiar with the situation said, creating a car group with €118 billion (\$145 billion) in revenue and sales of 8.4 million vehicles.

Mr. Diess will also have considerably more power than his predecessor.

He will be CEO of the entire company, but will also be in Please see VW page B2

Drying Up

Syndicated loan volume for Russian corporations



*As of April 12

Source: Thomson Reuters LPC

THE WALL STREET JOURNAL.

Banks Flee New Firms On List for Sanctions

BY MAX COLCHESTER AND MARGOT PATRICK

Six months ago, Russian power-to-aluminum company **En+ Group** PLC listed on the London Stock Exchange, cheered on by a former U.K. government minister and a cluster of big-name banks.

Today, many of those banks are racing to disentangle themselves from En+ as the effects of the latest wave of U.S. sanctions sweep across the global finance industry.

EN+, its aluminum-producing unit **United Co. Rusal** and their owner, Oleg Deripaska, were placed on a list sanctioning dozens of Russian individuals and entities last Friday.

Banks including **Citigroup Inc.** and **Credit Suisse Group AG** are now shedding ties to the group, according to people familiar with the matter. Other financial-services companies are rushing to distance themselves, with ratings firms Moody's Investors Service and Fitch Ratings removing their ratings for Rusal and the London Metal Exchange saying it won't stock its metal.

The flurry of activity points to the deep reach of this round of sanctions and the potential ramifications for both U.S. and non-U.S. financial firms that do Please see BANKS page B2

Tech IPO Market Is Starting To Heat Up

BY MAUREEN FARRELL

A recent burst of successful technology IPOs has led some richly valued companies that were content to dwell in the private markets to take steps toward going public.

The solid debuts of firms such as **Spotify Technology SA**, **Dropbox Inc.** and **Zscaler Inc.** have helped catalyze a shift among private-company CEOs and senior executives toward viewing public markets as a hospitable place to raise capital, said bankers, lawyers and investors in interviews. That comes after years of relatively weak issuance, particularly among tech companies.

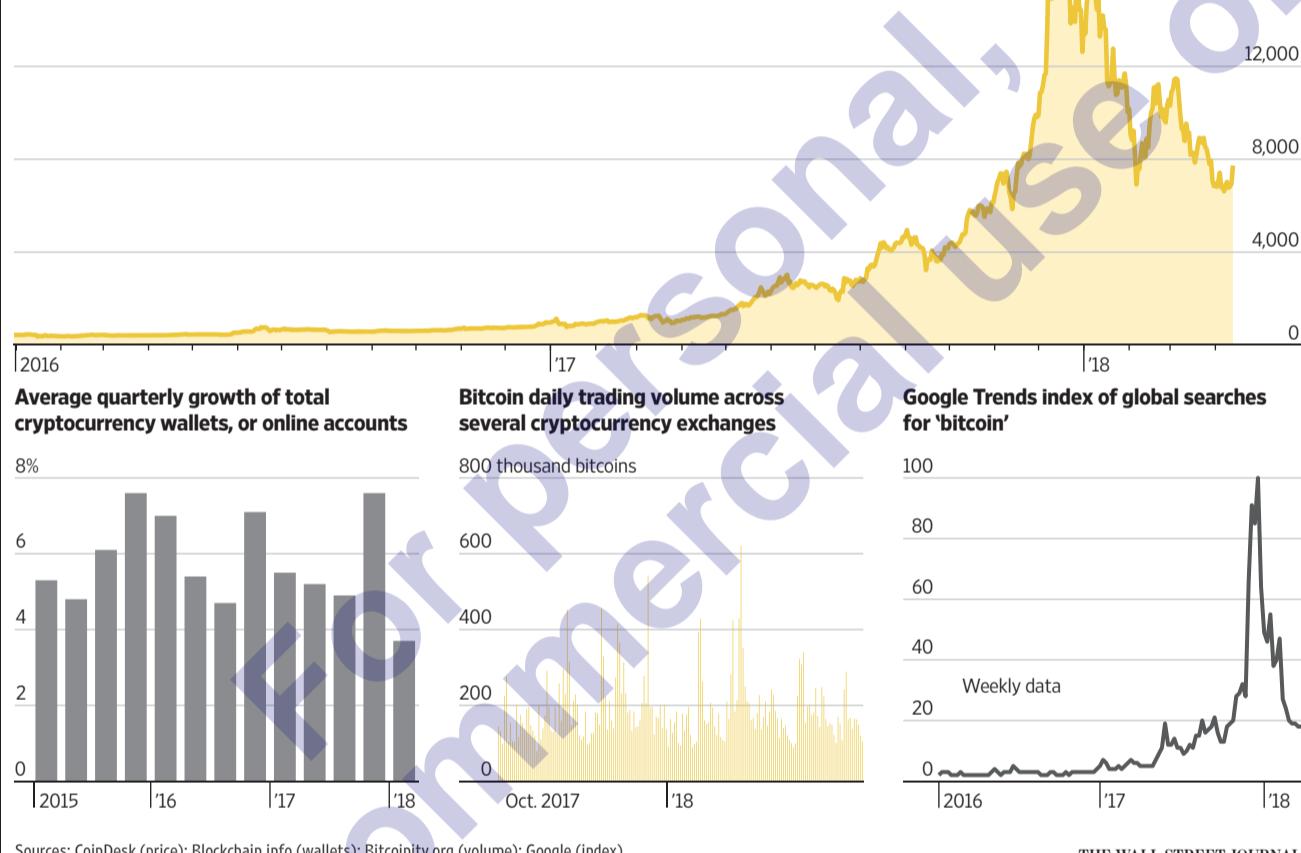
For instance, tech companies **Eventbrite** and **Upwork** have taken steps toward initial public offerings, according to people familiar with their plans. Both of the California companies are expected to debut on the public markets in the second half of this year, these people said.

Please see IPOS page B2

The Thrill Is Gone as the Frenzy Over Bitcoin Fizzles

Signs of bitcoin fever have receded recently as the cryptocurrency's price declined sharply from its peak late last year. B10

How many U.S. dollars one bitcoin buys



Sources: CoinDesk (price); Blockchain.info (wallets); Bitcointalk.org (volume); Google (index)

THE WALL STREET JOURNAL.

STREETWISE | By James Mackintosh

As Earnings Rev Up, Investors Shift Down

Only once before have U.S. earnings expectations risen so far, or so fast, as they have this year. Yet, investors couldn't care less as shares are down. The result is that Wall Street's favorite valuation measure has fallen at a speed usually only seen in a crisis.

That doesn't mean stocks are a screaming bargain. But the 12-month forward price/earnings ratio on the S&P 500 has fallen from a 16-year high of 18.6 times adjusted earnings at the end of Janu-

ary to 16.4 times at Tuesday's close, putting it back to where it stood in 2014, according to Thomson Reuters IBES. Stocks are less obviously expensive, although still above their average since 1985.

Such a combination of falling share prices and fast-rising earnings estimates is rarely seen outside of crises, because typically the prospect of higher profits attracts investors. The last two times the forward P/E ratio tumbled this far, this fast, were the 2010 Greek crisis and the aftermath of the

Please see STREET page B2

INSIDE

BANK SHARES POWER DOW REBOUND

SELF-DRIVING CARS STILL UBER PRIORITY

BUSINESS NEWS, B3

Wynn Resorts Seeks a Sale in Boston

BY KATE O'KEEFE AND ALEXANDRA BERZON

Wynn Resorts Ltd. has been in talks to sell its partially built Boston-area casino project to rival **MGM Resorts International**, according to people familiar with the matter, as Massachusetts regulators continue their investigation into the company's handling of sexual-misconduct allegations against founder Steve Wynn.

The talks, which pertain to the Wynn Boston Harbor property and no other parts of the company's gambling empire, are at an early stage and may not result in a deal, the people said.

Regulatory issues surrounding any potential deal would be complex, since Massachusetts forbids companies from operating more than one casino in the state, and MGM is planning to open one in the city of Springfield this year, they added.

Wynn Resorts estimates its Massachusetts project, scheduled to open next year, will cost a total of \$2.5 billion to build, making it one of the largest U.S. casino projects ever undertaken beyond Las Vegas. As of the end of 2017, Wynn said it had spent \$1.1 billion.

Wynn Resorts shares rose 3.8% to \$186.64 on Thursday.

If MGM's nearly \$1 billion project in Springfield were to emerge as a sticking point, the company could try to sell it to a buyer who passes regulatory muster. But the politics could be tricky in a city that is banking on this casino to help re-

vive its downtown core. The company could also try to get permission to operate two properties in the state, or seek some other arrangement, according to the people familiar with the matter.

Mr. Wynn resigned from his roles as Wynn Resorts' chairman and chief executive in February and sold off his entire 12% stake for \$2.1 billion last month. The moves came after a January article in The Wall Street Journal detailed allegations that Mr. Wynn had engaged in sexual misconduct against employees for decades, and that he paid \$7.5 million to a manicurist at his Wynn Las Vegas resort who in 2005 told people that Mr. Wynn had

forced her to have sex with him.

Mr. Wynn has said it is preposterous that he would assault a woman; he hasn't responded to other allegations of sexual misconduct. An attorney for Mr. Wynn earlier sent a statement on his behalf saying he "declined to participate in The Wall Street Journal's reporting because it is clear that the Journal has no intention of treating him fairly."

Even though Mr. Wynn no longer owns shares in Wynn Resorts, a special committee of the company's board is investigating the allegations, as are state regulators in Nevada and Massachusetts.

The Massachusetts Gaming

Commission has said it is looking into who was told of Mr. Wynn's alleged behavior and what, if anything, they did in response.

The regulator has said the company failed to disclose the allegations related to the 2005 settlement involving the manicurist before the commission granted Wynn Resorts a license in September 2014, or at any point before the Journal report. Wynn has said the application process didn't ask for disclosure of that type of information. The regulator can revoke the Wynn license if it determines the company isn't suitable as a casino operator.

—Jon Kamp and Chris Kirkham contributed to this article.



The company is in talks with MGM about selling Wynn's partially built casino in the Boston area.



BANK SHARES POWER DOW REBOUND

MARKETS, B1

THE WALL STREET JOURNAL

INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

A	Eventbrite.....B1	F	Redfin.....B2	S	Sega Games.....B4
Airbnb.....B4	Facebook.....B4,B10,B12	Rite Aid.....B3	SMS Group.....A6	T	Sony.....B4
Albertsons.....B3	Fimalac.....B6	General Motors.....A2	Spotify Technology.....B1	U	Synchrony Financial.....A8
Alphabet.....A9	General Electric.....A1	Gilead Sciences.....B12	United Co. Rusal.....B1	V	Tesla.....A1,B3
Amazon.....B4	Goldman Sachs Group	Hearst.....B6	United Parcel Service.....A2	W	Twitter.....B10
American Express.....B2B10	JPMorgan Chase.....B2,B11	Upwork.....B1	Z	Uber Technologies.....B3
Amgen.....B12	Gree.....B4	L	Volkswagen.....B1	Z	United Co. Rusal.....B1
Apple.....B10	Goldman Sachs Group	Hearst.....B6	W	Z	United Parcel Service.....A2
Backpage.com.....A2	General Electric.....A1	JPMorgan Chase.....B2,B11	Walmart.....A9	Z	Upwork.....B1
Biogen.....B12	General Motors.....A2	Lands' End.....B5	Walt Disney.....B5	Z	Volkswagen.....B1
BlackRock.....B10,B11	Gilead Sciences.....B12	Level-5.....B4	Wells Fargo.....B11	Z	Walmart.....A9
Blackstone Group.....A3	Goldman Sachs Group	M	Wynn Resorts.....B1	Z	Walt Disney.....B5
Blockchain.info.....B10B10	MGM Resorts International.....B1	Novartis.....B1	Z	Wells Fargo.....B11
Capcom.....B4B10	Murray Energy.....B5	Novartis.....B1	Z	Wynn Resorts.....B1
Celgene.....B12B10	N	Open Door Labs.....B12	Z	Zillow Group.....B2
Cerberus Capital Management.....B3B10	O - R	Open Door Labs.....B12	Z	Zscaler.....B1
Citigroup.....B1,B11B10	Open Door Labs.....B12	Open Door Labs.....B12	Z	Zuora.....B2
Coinbase.....B10B10	Open Door Labs.....B12	Open Door Labs.....B12	Z	Zuora.....B2
Credit Suisse.....B1B1	Open Door Labs.....B12	Open Door Labs.....B12	Z	Zuora.....B2
Delta Air Lines.....B2B1	Open Door Labs.....B12	Open Door Labs.....B12	Z	Zuora.....B2
Dropbox.....B1B1	Open Door Labs.....B12	Open Door Labs.....B12	Z	Zuora.....B2
EN Group.....B1B1	Open Door Labs.....B12	Open Door Labs.....B12	Z	Zuora.....B2

INDEX TO PEOPLE

A	Hino, Akihiro.....B4	H	Rascoff, Spencer.....B2	R	Roper, Barbara.....B6
B	Jourova, Vera.....B4	J	Jourová, Vera.....B4	S	Sandberg, Sheryl.....B4
Bastian, Ed.....B2	K	Keon, Ed.....B11	Khosrowshahi, Dara.....B3	T	Schwarzman, Stephen.....A3
Beene, Alex.....B10	L	Kostin, David.....B11	Kostin, David.....B11	V	Silverblatt, Howard.....B11
Blankfein, Lloyd.....B10	M	Lacey, Michael.....A2	Lai, Kevin.....B10	W	Taori, Hiromu.....B4
Boyapati, Vijay.....B10	N	Larkin, James.....A2	Larkin, James.....A2	Z	Tsujimoto, Ryozo.....B4
Brossat, Ian.....B4	O	Madoff, Bernard.....B10	Madoff, Bernard.....B10	Z	Tzu, Tien.....B2
Brzeski, Carsten.....A6	P	Malik, Monica.....B10	Murphy, Robert.....B5	Z	Vekselberg, Viktor.....B2
C	Keon, Ed.....B11	M	Murphy, Robert.....B5	Z	Watana, Kanta.....B4
Calk, Stephen.....A4	Kostin, David.....B11	N	Musk, Elon.....A2	Z	Winklevoss, Cameron.....B10
Cellupica, Paul.....B6	L	Lacey, Michael.....A2	Nagoshi, Toshihiro.....B4	Z	Wynn, Steve.....B1
Chan, Norman.....B10	M	Lai, Kevin.....B10	Name, Timothy Van.....B4	Z	Zuckerberg, Mark B.....B12
D	Malik, Monica.....B10	M	Naomi, Timothy Van.....B4	Z	Zuckerberg, Mark B.....B12
Diess, Herbert.....B1	N	Murphy, Robert.....B5	Naomi, Timothy Van.....B4	Z	Zuckerberg, Mark B.....B12
E	O	Musk, Elon.....A2	Naomi, Timothy Van.....B4	Z	Zuckerberg, Mark B.....B12
Everson, Carolyn.....B4	P	Nagoshi, Toshihiro.....B4	Name, Timothy Van.....B4	Z	Zuckerberg, Mark B.....B12
F - G	Q	Name, Timothy Van.....B4	Z	Zuckerberg, Mark B.....B12	
Ferrer, Carl.....A2	R	Zuckerberg, Mark B.....B12	Z	Zuckerberg, Mark B.....B12	
Fink, Laurence.....B10	S	Zuckerberg, Mark B.....B12	Z	Zuckerberg, Mark B.....B12	
Griffith, Jerome.....B5	T	Zuckerberg, Mark B.....B12	Z	Zuckerberg, Mark B.....B12	

BANKS

Continued from the prior page business with those on the list.

"This is uncharted territory," said Tom Cummins, a partner in London at law firm Ashurst.

Never before have individuals been targeted that are so "integrated into commodities, global markets and international trade," he added.

The sanctions also have sparked wider caution about dealing with or owning the assets of any individual or company with ties to the Kremlin, for fear that Washington could expand the list.

That fear has roiled markets, leading to a selloff of the ruble, Russian debt and many of the country's biggest companies.

Global banks, often from London, have helped Russian companies list, issue bonds and have lent them money. Last year, for instance, Russian companies raised \$14.6 billion in syndicated loans, according to data from Thomson Reuters LPC. They have raised \$1.7 billion so far this year.

En+ listed on the London Stock Exchange in November 2017, raising \$1.5 billion, with Citigroup, Credit Suisse and France's Société Générale SA among the Western banks tak-

ing lead roles.

The former British climate-change minister Gregory Barker—who now sits in the House of Lords—was brought in to chair the company. The board later expanded with Dominique Fraisse, head of natural resources at French bank Natixis, among those joining.

The impact has been swift. Clearing house LCH Ltd. said this week it will no longer clear shares of Rusal or EN+ Group, and index provider FTSE Russell said Rusal and EN+ Group would be removed from FTSE indexes on Friday.

The holding company is hemorrhaging board members, with Mr. Fraisse exiting. Citi and Credit Suisse have quit as corporate brokers, according to people familiar with the matter. En+ Group global depository receipts in London lost half their value before being suspended from trading Monday.

Other sanctioned companies looking to raise money in Europe have had to change plans. This week, Citigroup and Goldman Sachs Group Inc. stopped working on a planned initial public offering for Italian data services company Octo Telematics, people familiar with the transaction said. The company's indirect controlling shareholder, Viktor Vekselberg, is on the sanctions list.

Zillio executives said they

aren't looking to get rid of

real-estate agents, who generate revenue for its listings business by purchasing ads and customer leads. Instead,

they say they have handpicked agents to work on the transactions in its "Zillow Instant Offers" business.

Nonetheless, agents are much less essential to these quick-flip transactions, which are powered by technology rather than face-to-face interactions. This is the latest in a string of new technologies and businesses that are threatening to disrupt the multibillion-dollar residential brokerage business and the livelihood of tens of thousands of Realtors.

Zillio is following other

other travel-related companies such as hotel operators. It has

hardly improved even as the airline boosted earnings and reduced its debt after emerging from bankruptcy protection and agreeing to merge with Northwest Airlines 10 years ago this week.

"Over time, if we are unable to get our valuation to where we think it needs to be, we're open to options and ideas," said Mr. Bastian. But I'd say it's premature to come to that."

Shares of Delta and its rivals in recent months have been hit by investor concerns that excess capacity could dampen fares and lower earnings.

Delta said its closely

watched average revenue was expected to rise by 3% to 5% in the June quarter, in line with analysts' expectations, after climbing 5% in the first quarter.

The airline maintained its

full-year earnings guidance even though jet fuel prices—which have climbed by 25% over the past year—are providing a headwind.

Delta reported profit of \$547 million in the March quarter compared with \$561 million a year earlier, lifted by buoyant international traffic.

Per-share earnings rose a penny to 78 cents, with the adjusted total of 74 cents

beating Wall Street estimates.

Revenue rose 10% to \$9.97 billion, a record for the quarter.

VW

Continued from the prior page charge of the Volume car business, adding Skoda and Seat to his current job of running the Volkswagen brand.

The Porsche brand would take control of a broader sports-car group that would also include Lamborghini, Bugatti and Bentley. Audi is expected to remain independent as the company's premium brand.

Mr. Müller had granted the brands considerable independence, but Mr. Diess, a former senior executive at BMW AG, who has long been known as "Mr. Cost Killer" for his aggressive restructuring efforts, wants to put them on a tighter leash again.

That could make it easier for managers at Volkswagen's Wolfsburg headquarters to force the brands to share costs and technology more equitably, these people said.

People familiar with the situation said that Mr. Diess's new plans also will herald an increased influence by organized labor over the group.

A year ago, Mr. Diess looked like he could lose his job over conflicts with the company labor representatives over cost cuts.

But since then, Mr. Diess patched things up with the workers' representatives, who hold half of the 20 seats on Volkswagen's board, winning their support to make him CEO.

Spokesmen for Mr. Diess didn't respond to requests for comment.

Bulking Up

VW's new CEO seeks a bigger bang by combining businesses.

2017

• Sales in millions of units

■ Revenue in billions

■ Operating profit in billions

Passenger Car Group

Brands: Volkswagen brand, Seat, Skoda, Volkswagen Nutzfahrzeuge

• 2017

■ 2016

■ 2015

■ 2014

■ 2013

■ 2012

■ 2011

■ 2010

■ 2009

■ 2008

■ 2007

■ 2006

■ 2005

■ 2004

■ 2003

■ 2002

■ 2001

■ 2000

■ 1999

■ 1998

■ 1997

■ 1996

■ 1995

■ 1994

■ 1993

■ 1992

■ 1991

■ 1990

■ 1989

■ 1988

■ 1987

■ 1986

■ 1985

■ 1984

■ 1983

■ 1982

■ 1981

■ 1980

■ 1979

■ 1978

■ 1977

BUSINESS NEWS



"Ultimately, self-driving cars will be safer than humans," CEO Dara Khosrowshahi said Thursday.

Uber Sticks to Self-Driving

CEO says company will keep pursuing the technology after fatal accident in test drive

BY CARA LOMBARDO

Uber Technologies Inc. Chief Executive Dara Khosrowshahi said the ride-hailing firm is "absolutely committed" to its self-driving-car program after one of its autonomous vehicles struck and killed a pedestrian in Arizona last month, but said the technology needs to be refined.

"Ultimately, self-driving cars will be safer than humans," Mr. Khosrowshahi said on NBC's "Today" show Thursday. "But right now self-driv-

ing cars are learning. They're student drivers."

Uber suspended its program in four test cities following the March 18 accident, which is believed to be the first known fatality involving an autonomous vehicle.

Mr. Khosrowshahi told "Today" show host Savannah Guthrie that the company was working with investigators to determine whether the ride-hailing firm's technology was at fault.

He also said he is reviewing the company's safety practices, ranging from driver training to software.

The vehicle was in autonomous mode but had a human safety operator at the wheel when it hit 49-year-old Elaine Herzberg, who police say later

died from her injuries.

Her family since settled with Uber for undisclosed terms.

The accident has increased scrutiny on Uber and other companies collectively spending billions of dollars developing and testing autonomous cars, which they contend will cut traffic fatalities. Regulators have said human error causes 94% of crashes.

Tesla Inc. this week defended its semiautonomous Autopilot system, blaming a fatal March 23 accident on the driver, who it alleges didn't heed the car's warnings to pay attention to the road.

Navigating Uber's response to the fatal March 18 accident is one of Mr. Khosrowshahi's early tests as CEO.

He succeeded Uber co-founder Travis Kalanick last year with a mandate to repair the company's image after a string of scandals including allegations that management had ignored female workers' complaints of sexism and sexual harassment. He said on the "Today" show that the changes to the culture since he and his team took over are "night and day."

Mr. Khosrowshahi said the company is adding a 911 button to its ride-hailing application that will directly connect riders to emergency operators and share their locations. Uber also recruited former Homeland Security Secretary Jeh Johnson to chair its safety council, Mr. Khosrowshahi said.

Rite Aid Deal Hits Resistance

BY HEATHER HADDON AND MIRIAM GOTTFRIED

Some Rite Aid Corp. shareholders plan to oppose a merger with grocer **Albertsons Cos.** that they believe undervalues the struggling pharmacy chain.

Rite Aid's shares have fallen about 20% since the companies said they would merge on Feb. 20, a sign of deepening investor disapproval. Albertsons is closely held. Rite Aid said Thursday that same-store sales fell 1.7% in its fourth quarter, the sixth straight period of declines.

Rite Aid investors who oppose the approximately \$2 billion deal say they aren't getting a big enough share of the company that would be formed by the combination. These investors say Rite Aid would be better off overhauling its pharmacies on its own.

One of Rite Aid's 10 biggest shareholders, which declined to be named, said it planned to vote against the deal because it doesn't give shareholders a fair premium.

Under the deal, Rite Aid investors may exchange 10 of their shares for a share in the combined company plus \$1.83 in cash, or alternatively 10 shares for 1,079 new shares. They would own about 30% of the new business.

Rite Aid shares fell slightly to \$1.63 on Thursday.

"The deal is absurd based on fair value of Rite Aid's existing stores and what it could do with them," said Steve Krol, an investor from Florida whose shares in the drugstore chain are worth around \$415,000.

Other shareholders say they don't want to invest in the grocery industry, where competition from Amazon.com Inc. and discounters is hurting the sales and margins of traditional supermarkets.

Executives from the two companies have said the merged

Not Feeling So Hot

Rite Aid shares have dropped 65% in the past 12 months.



Source: FactSet

THE WALL STREET JOURNAL.

business would appeal to customers who want to buy food and drugs at the same store.

"It makes sense for us strategically and financially. The merger will transform Rite Aid," Chief Executive John Standley said Thursday on a conference call with investors.

Rite Aid and Albertsons, which have struggled to compete with bigger rivals, are the third-biggest company in their respective industries in terms of outlets. Rite Aid has around 2,600 pharmacies, far fewer than rivals Walgreens Boots Alliance Inc. and CVS Health Corp. The company sold 1,932 stores to Walgreens in March. Albertsons has around 2,300 grocery stores. The combined company would have 4,345 pharmacies, including those currently run by Albertsons.

"Both companies are getting squeezed," said Loren Trimble, chief executive of AArete, a management consulting firm. "If they do nothing, it's a death sentence for both of them."

Closely held Albertsons hasn't faced the same pushback. Its largest investor, **Cerberus Capital Management LP** helped broker the deal, which would return Albertsons to a public listing after 12 years of private ownership.

VIVATECHNOLOGY
3 DAYS TO ACCELERATE YOUR FUTURE
MAY 24-25-26
PARIS FRANCE

Get your pass now on VIVATECHNOLOGY.COM

ORGANIZERS: Groupe Les Echos, PUBLICIS GROUPE

PLATINUM PARTNERS: Google, BNP PARIBAS, LA POSTE, LVMH, orange

HOLDING PARTNER: PARIS REGION

TECHNOLOGY

WSJ.com/Tech

Pentagon to Update Cloud Terms

Some Amazon rivals worry the tech giant will be only firm to be awarded the contract

BY TED MANN
AND BRODY MULLINS

WASHINGTON—The Defense Department will release a revised list of requirements in the coming days for a hotly contested, multibillion-dollar contract to move the Pentagon's data into the cloud, and it says it won't give in on a central demand: awarding the business to a single winner.

Some computing companies vying for the cloud contract have been fighting to prevent the department from awarding the work to a single vendor,

fearing that would guarantee **Amazon.com** Inc. the business. Already dominant in the private-sector cloud market, Amazon has been steadily winning government contracts for cloud services in recent years.

The Pentagon's Joint Enterprise Defense Infrastructure cloud contract, known by the acronym JEDI, could be worth billions over a decade, and is expected to be the biggest government contract ever for cloud computing. The impending deal has sparked a fierce lobbying fight among Amazon and rival computing giants, such as Oracle Corp. and Microsoft Corp., that are threatened by Amazon's rise.

Amazon's rivals have tried to slow down progress on the deal. Language was inserted in the omnibus spending bill

passed in March that would require Defense Secretary Jim Mattis to report to Congress within 45 days on how the request for the JEDI bids was structured.

"There are concerns about the proposed duration of a single contract, questions about the best value for the taxpayer, and how to ensure the highest security is maintained," a summary of the appropriations language said.

But defense officials are forging ahead, arguing that awarding the cloud business to a single entity will protect the data and help the department meet the goal of accelerating the adoption of cloud computing, including for forces in combat zones.

Timothy Van Name, the deputy director at the Penta-

gon office in charge of the procurement deal, told The Wall Street Journal on Tuesday that the Pentagon plans to issue a new draft request for proposals from contractors "within the next week." The

The cloud contract, called JEDI, could be worth billions over a decade.

new request for proposals takes into account some of the criticism from Amazon's detractors this year, he said. But he disputed the charge that the process is tilted in Amazon's favor.

"We have no favorites," Mr. Van Name said.

A spokeswoman for Amazon's cloud unit, Amazon Web Services, declined to comment.

Amazon Web Services has been raking in contracts as part of a multiyear shift in which government bodies ranging from the Central Intelligence Agency to the Smithsonian Institution are moving to store and analyze vast amounts of government data in the cloud, rather than in their own data centers.

The Pentagon contract fight also comes as President Donald Trump has lashed out at Amazon on Twitter, in broadsides that have led analysts to question whether he would take any action to blunt the rise of Amazon's government business.

Paris Sues Airbnb To Remove Listings

BY SAM SCHECHNER
AND NOEMIE BISSEMER

PARIS—The city of Paris is suing **Airbnb** Inc. to remove tens of thousands of unregistered listings in the French capital, heralding what could be a costly showdown in one of the company's largest markets.

Paris demanded Thursday that a French court force Airbnb—and other smaller platforms—to remove listings that don't comply with a new law that requires Parisians renting out their primary residences on sites like Airbnb to display a city registration number in their listings.

The city has asked the court to fine the home-sharing sites €1,000 (\$1,233) a listing a day if they don't comply—fines that could total more than €1 million a month for Airbnb, given its number of listings, according to Ian Brosset, Paris's deputy mayor in charge of housing policy.

A trial date is set for June 12, Mr. Brosset said.

"We are disappointed by this decision, which will hurt local families who share their homes and puts their needs behind the financial interests of big hotel chains and well-funded lobby groups," a spokesman for Airbnb wrote in an emailed statement.

"We will continue working with Paris on clear and simple rules that work for everyone—not just big businesses," he added.

The case escalates pressure on Airbnb over the impact it allegedly has on local rental markets. Paris and many other cities argue that the firm's short-term rentals make it more lucrative for property owners to cater to tourists than to rent out homes to long-term residents, and have sought to limit them.

Facebook Doesn't Expect Revenue to Suffer

BY STU WOO
AND SAM SCHECHNER

LONDON—Facebook Inc. doesn't expect the recent uproar over its users' digital privacy to affect sales significantly, a top advertising executive for the global social-media platform said.

Facebook users largely haven't changed their privacy settings in the past four weeks

◆ **CEO COUNCIL** amid heightened scrutiny over how it shares individual data, Facebook Vice President of Global Marketing Solutions Carolyn Everson said at The Wall Street Journal CEO Council in London.

"We have not seen wild changes in behavior with people saying I'm not going to share any data with Facebook anymore," Ms. Everson said on Thursday.

The company also doesn't expect stricter privacy laws, which could lead consumers to opt out of targeted ads, to cut into its ad sales, she added.



Facebook's Carolyn Everson said the network's users haven't dramatically changed their behavior.

ANDREW HARRER/BLOOMBERG NEWS

"We are not anticipating major changes to our overall revenue and business model."

Facebook's business model relies on allowing companies to show individuals targeted ads, based on information users share with the social-media site.

Facebook has been dealing

with digital-privacy worries that prompted Congress this week to question Chief Executive Mark Zuckerberg, who told lawmakers the company would thoroughly investigate and disclose what data were improperly shared. He also said the company had given users better tools to control

their privacy.

European officials also have been scrutinizing the company over the latest data controversies. The European Union's justice chief on Thursday had a "constructive and open discussion" with Facebook Chief Operating Officer Sheryl Sandberg in a phone call over the

social network's data policies.

EU Justice Commissioner Věra Jourová spoke by phone Thursday evening with Ms. Sandberg to seek clarifications on the steps the company has taken since revelations that the social network allowed personal information of as many as 87 million users to be obtained by data-analytics firm Cambridge Analytica.

The EU justice chief said she was particularly concerned about the 2.7 million Europeans affected and urged Facebook to fully cooperate with European investigators probing the case.

A Facebook spokeswoman agreed it was a constructive discussion.

Ms. Everson reiterated Thursday the company is "deeply concerned" about "any time there is a breach of trust." In response to the scrutiny, the company has made several changes to limit user data it shares with apps on Facebook.

—Natalia Drozdiak contributed to this article

SPECIAL OFFER! READERS-ONLY PRICE

HUGE SAVINGS!
Up to 50% OFF
Readers Only

Actual size is 40 mm

Huge Savings on World Silver Perfect-Grade Silver Pandas Now Up to 50% Off!

Buy More and Save!

We normally sell these coins for \$99.95, but with this special offer you can secure yours for just \$59.95 each. Order 20 or more and take another \$10 off per coin—that's HALF OFF our usual price!

2016 China 30 Gram Silver Panda NGC MS70 First Struck

Regular Price \$99.95 ea. +s/h

SPECIAL OFFER PRICING:

1-4	\$59.95 ea. + s/h
5-9	\$55.95 ea. SAVE \$220 or more!
10-19	\$52.95 ea. SAVE \$470 or more!
20+	\$49.95 ea. SAVE \$1,000 or more!

**FREE
SHIPPING**
when you order 3
or more!

SAVE \$1,000
when you order
20 coins!

Call toll-free for fastest service

1-888-517-8627

Offer Code PAN126-01
Please mention this code when you call.

GovMint.com • 14101 Southcross Dr. W., Suite 175
Dept. PAN126-01 • Burnsville, MN 55337



GOVMINT.COM®

FREE SHIPPING: Limited time only. Standard domestic shipping only. Not valid on previous purchases.

Prices and availability subject to change without notice. Facts and figures, including market values and the current population of specific graded, autographed or pedigreed coins are deemed accurate as of April 2018 and may change significantly over time. NOTE: GovMint.com® is a private distributor of worldwide government coin and currency issues, and privately issued and licensed collectibles, and is not affiliated with the United States government. GovMint.com is not an investment company and does not offer financial advice or sell items as an investment. The collectible coin market is speculative, and coin values may rise or fall over time. All rights reserved. © 2018 GovMint.com

THE BEST SOURCE FOR COINS WORLDWIDE™



Hisako Akitani, owner of Tokyo store Ma-Ya, was known for her outspoken views on the industry.

Japan's Videogame Queen Departs

BY TAKASHI MOCHIZUKI

TOKYO—In some ways, Hisako Akitani's videogame store was just another small family business that closed when its owners got older and tired of fighting the internet.

Yet when Ms. Akitani stood behind her shop counter for the last time on a recent Sunday, some of the top names in Japanese videogames, including companies like **Sony** Corp., came to pay tribute to a woman whose frankness made her one of the industry's most powerful and unlikely influencers.

Ms. Akitani made her name with unvarnished views about games and how they are marketed, taking stands that larger store owners or game publications often wouldn't because they were afraid of spoiling relationships.

"She'll talk to you about anything with complete honesty," said Ryozo Tsujimoto, managing corporate officer of Japanese videogame company **Capcom** Co. and a creator of its hit franchise "Monster Hunter."

At her shop, called Ma-Ya, and since the early 2000s on a blog, Ms. Akitani would dress down game makers for missing promised launch dates. She recalled the time she

scoffed a company that advertised famous voice actors in its game but gave them only one-word grunts for lines.

Ms. Akitani always sat in the front row at events where makers presented new games and bombarded them with questions, said Hiromu Taori, an industry consultant.

Atsushi Morita, a nephew of Sony's founder and head of the company's PlayStation business in Japan and other Asian countries, said he sometimes exchanged emails with Ms. Akitani at midnight about sales and customer feedback.

Game designers looking for her firsthand input would trek to her store in eastern Tokyo. Via Ms. Akitani, feedback from a child in a neighboring apartment block could make it into the executive suite.

She told Akihiro Hino, chief executive of game publisher **Level-5** Inc., that games for children should cost less than ¥5,000 (\$47). Mr. Hino said he followed her advice whenever possible.

"I'm the kind of person who has to say things directly," said Ms. Akitani. "It was just necessary for a small shop's survival."

Ma-Ya was a toy store when it opened nearly four decades ago. After finding that videogames were accounting for

most of the shop's sales, Ms. Akitani made that her main focus about a quarter-century ago. Her shop was an innovator of in-store demos and competitive events, retailing techniques that are now ubiquitous.

The shop started to earn its influencer reputation before the internet age. She posted best-seller lists in her shop, and fans, suspicious of the puffy in game magazines, began to copy them down. Many took notes on their chats with her and would spread the information on tip-sheets tacked up in videogame parlors, veteran game developers remember.

"It was like a believer hand-copying a sacred text," said Kanta Watanabe, a game developer now at **Gree** Inc. who has been in the industry for 31 years. He studied the sheets for ideas on how to make a popular game.

Games will keep selling online, but e-commerce can't fully replace her, game creators said. "For her, doing business wasn't just a matter of selling stuff," said Toshihiro Nagoshi, chief product officer of **Sega Games** Co. "It was about loving the product and getting customers to love it. That's what touched our hearts."

BUSINESS & TECHNOLOGY

Coal CEO Says Bailout No Longer Needed

Murray Energy chief credits pickup in exports to Asia for business revival

BY TIMOTHY PUOK
AND ANDREW SCURRIA

Coal magnate Robert Murray, after warning his company could be pushed into bankruptcy if the Midwest coal industry failed to get a bailout from federal regulators, said he expects his company to thrive whether or not the Trump administration intervenes.

Mr. Murray, chief executive and controlling owner of **Murray Energy Corp.** and a major Trump supporter, said in an interview that surging demand for coal in Asia, along with his company's growing exports to that region, have revived his business. Growing Chinese imports, and a recovering global economy, drove up coal prices, offsetting a long-term decline in U.S. demand.

Murray Energy also is ramping up sales in India with help from a London-based trading firm that the company helped open in 2015.

"I've got the best coal company in the world," he said.

That optimistic outlook marks a strong contrast to what Mr. Murray has said about his business not long ago. Last summer, he told the White House that his company's Appalachian mines might close without an emergency lifeline for the power-plant fleet at FirstEnergy



the Journal.

The country's electricity grid is in the middle of a historic transformation. Rapid technological advancements have made gas-fired and renewable power cheaper, running dozens of nuclear and coal-fired competitors out of business. The viability of a number of corporations—and thousands of jobs—are on the line.

Some states have approved help for nuclear-power plants, and FirstEnergy has forced a similar decision on the Trump administration. In late March it asked the Energy Department to declare an emergency under a lightly used, 83-year-old law to guarantee profits for its nuclear and coal-fired plants and dozens of others across the Midwest and Mid-Atlantic states. Its FirstEnergy Solutions power-generation businesses, known as FES, filed for bankruptcy protection two days later.

FES operates coal-powered plants in Ohio and Pennsylvania with combined capacity over 4,700 megawatts. It was bankruptcy warnings from FES last year that prompted Mr. Murray to warn last year that Murray Energy, too, could go under. He said an FES chapter 11 would tip Murray Energy into an "immediate bankruptcy" as well.

But Murray Energy hasn't filed for bankruptcy protection and doesn't need to now, Mr. Murray told the Journal. It isn't clear whether Murray Energy's supply deals with FES will survive those businesses' bankruptcy. An FES spokesman declined to comment.

Murray Energy CEO Robert Murray, right, had warned of a possible bankruptcy if the Trump administration didn't intervene.

Corp., a major coal-burning customer of Murray Energy. A FirstEnergy subsidiary requested federal intervention last month and the Energy Department is weighing a response.

Mr. Murray rose to prominence after acquisitions made his company the largest privately owned U.S. coal mining firm earlier this decade.

After Donald Trump was elected president, Mr. Murray injected himself into the center of a national debate about what the Trump administration might do to save the shrinking coal industry. He has asked Mr. Trump to arrange an emergency order—one designed for times of war and natural disasters—to keep unprofitable coal-fired plants open, saying losing them creates

a national-security risk. But Mr. Murray's critics say intervention undermines free competition and distorts markets.

An emergency request in front of the Energy Department formally filed by a FirstEnergy subsidiary would benefit many of the plants in Ohio and the surrounding states that buy Murray coal. He has already revived his company through a se-

ries of acquisitions and by creating a trading house, Javelin Global Commodities Ltd., just as prices started to rebound. Mr. Murray spent much of 2016 and 2017 publicly fretting he may miss payments on more than \$4 billion in debt at Murray and a sister company, and an additional \$2 billion in retiree obligations, but now he is making them without trouble, he told

Lands' End Returns to Classics, Elastic Waistbands

BY SUZANNE KAPNER

Within a week of taking the helm of **Lands' End Inc.**, Jerome Griffith knew what he needed to do to fix the struggling apparel seller: Get rid of the flashy clothes.

The new chief executive discontinued a line of higher-end clothing introduced by his predecessor, called Canvas, that was meant to appeal to younger women who shopped at trendy retailers such as J. Crew and Zara. The clothes were more expensive and had a slimmer fit than Lands' End's traditional outdoorsy garb.

"It all got marked down, and it didn't sell at markdown because it didn't fit our customers," Mr. Griffith, a retail veteran who joined Lands' End last March, said in an interview. Getting rid of it "was a no-brainer."

That is not the only about-face at the catalog retailer known for its expedition jackets, turtlenecks and chinos. Gone are the strappy high-heeled sandals and glossy magazine ads, part of a failed remake by former CEO Federica Marchionni, who was ousted in 2016. Ms. Marchionni declined to comment on

Comeback Trail

Lands' End quarterly revenue, change from previous year



THE WALL STREET JOURNAL.

the changes.

Mr. Griffith's retooling so far seems to be working. The company posted a profit for the year ended in February after two years of losses. Sales in that year rose 5.3% to \$1.41 billion. And the number of customers who shopped with Lands' End for the first time jumped 30% in the fourth quarter, compared with the same period a year ago, according to the company.



The catalog is utilitarian as the retailer focuses on digital marketing.

"When you have a well-regarded brand that has gone off the track, you go back to its roots," said the 60-year-old Mr. Griffith, who was most recently CEO of luggage maker Tumi Holdings Inc. He previously worked at Esprit, Tommy Hilfiger and Gap.

Lands' End lost its luster following its 2002 acquisition by Sears, Roebuck & Co., now Sears Holdings Corp. After a string of record profits, results

began to deteriorate in 2008 and continued to slide after Sears spun off the unit in 2014.

Lands' End shares, which had fallen below \$12 in November, are now trading around \$22. The apparel chain has a market value of \$715 million, which is more than double what Sears is currently worth.

Ms. Marchionni, a former Ferrari and Dolce & Gabbana executive who became CEO of

Lands' End in 2015, injected more fashion into the brand by overhauling its merchandise and marketing. The catalog, known for its informative product shots, morphed into a slick magazine.

Despite telling employees at a town-hall meeting that the company's Dodgeville, Wis., headquarters reminded her of the village near Rome where she grew up, according to people who were there, Ms. Marchionni spent about one week a month in Dodgeville. Instead, she worked out of an office in New York that has since been downsized. Ms. Marchionni, who had been living in New York before joining Lands' End, didn't want to uproot her young son, according to a company spokeswoman.

Mr. Griffith, who grew up milking cows on a dairy farm in Pennsylvania's Amish country, also told employees that Dodgeville reminded him of home. He relocated to nearby Madison, Wis.

He discovered that new products customers didn't want had crowded out best-sellers such as walking shoes, elastic waistband Starfish pants, and canvas totes—a nod to the company's 1963 start as a mail-order supplier of sail-

boat equipment. Now, it is refocusing on the classics.

"Our customers search our website for snow boots, rain boots and walking shoes," Mr. Griffith said. "They don't search for pumps, wedges or high-heeled stilettos."

Lands' End's catalog has reverted to its utilitarian style with product shots and descriptive text. But Mr. Griffith is spending less on catalogs as he focuses on digital marketing. Other traditional advertising, such as print and television ads, has been slashed as well.

The company's advertising spending fell to \$15 million last year, more in line with historical levels, after ballooning to nearly \$46 million in 2016, according to Kantar Media. The figures don't include catalog mailings.

Mr. Griffith will have to continue to increase sales in a difficult retail environment. Traditional brands have been losing share to e-commerce companies as more shoppers shift their buying online.

Lands' End is still dependent on Sears, which has been shrinking. It operates roughly 174 shops at Sears stores, representing 11% of its overall sales.

ESPN Casts Wider Net for Viewers With Digital Service

BY SHALINI RAMACHANDRAN

raising questions about how broad of an appeal the new product will have.

The sports giant is launching ESPN+ at a critical moment for the company, as well as for its majority owner, **Walt Disney Co.**, which has laid out a strategy of new direct-to-consumer offerings to help expand revenue.

ESPN's traditional business has come under pressure due to customers dropping their cable packages and downgrading to cheaper skinny bundles without ESPN. At the same time, sports-focused streaming competitors like CBS Sports HQ and Turner's Bleacher Report Live have launched.

"ESPN+ represents a new step in giving our company more flexibility, capability and control of our future irrespective of possible marketplace changes," said James Pitaro, a former Disney consumer-products and digital chief who took over as ESPN's new president in March.

ESPN executives say they are targeting three types of fans: the core ESPN user who is hungry for more sports, the niche sports fan who follows rugby and the like, and the underserved fan who can't find sports from his or her alma mater on traditional TV.

Face-Off

ESPN's new streaming service joins a growing roster of competitors.

ESPN+

Price: \$4.99/month

Key offerings: Pro baseball, hockey and soccer; college sports; exclusive home of all '30 for 30' documentary films; 'Detail' studio show hosted by Kobe Bryant

Source: the companies

B/R LIVE

Price: to be set in the summer

Key offerings: NBA games for purchase; college sports championships; National Lacrosse League; World Arm Wrestling League

SPORTSLIVE

Price: \$9.95/month

Key offerings: From CBS Sports, offers live and on-demand college sports, CrossFit, National Lacrosse League, boxing, rugby and water polo

CBS SPORTS HQ

Price: free

Sports GOLD

Price: From \$35 to \$75

Key Offerings: From NBC, six separate subscriptions to sports including Premier League soccer, Tour de France cycling, World Cup rugby and motocross

THE WALL STREET JOURNAL.



ESPN's Buster Olney interviewed Byron Buxton of the Minnesota Twins last month during a spring training game in Fort Myers, Fla.

Notice of Class Action Settlement

If you transacted in Euroyen-Based Derivatives¹ from January 1, 2006 through June 30, 2011, inclusive, then your rights will be affected and you may be entitled to a benefit. This Notice is only a summary of the Settlement and is subject to the terms of the Settlement Agreement² and other relevant documents (available as set forth below).

The purpose of this Notice is to inform you of your rights in connection with a proposed settlement with Settling Defendants The Bank of Tokyo-Mitsubishi, UFJ, Ltd. ("BTMU") and Mitsubishi UFJ Trust and Banking Corporation ("MUTB") in the actions titled *Laydon v. Mizuho Bank Ltd., et al.*, 12-cv-3419 (GBD) (S.D.N.Y.) and *Sonterra Capital Master Fund, Ltd., et al. v. UBS AG, et al.*, 15-cv-5844 (GBD) (S.D.N.Y.). The settlement with BTMU and MUTB ("Settlement") is not a settlement with any other Defendant and thus is not dispositive of any of Plaintiffs' claims against the remaining Defendants.

The Settlement has been proposed in two class action lawsuits concerning the alleged manipulation of the London Interbank Offered Rate for Japanese Yen ("Yen LIBOR") and the Euroyen Tokyo Interbank Offered Rate ("Euroyen TIBOR") from January 1, 2006 through June 30, 2011, inclusive. The Settlement will provide \$30 million to pay claims from persons who transacted in Euroyen-Based Derivatives from January 1, 2006 through June 30, 2011, inclusive. If you qualify, you may send in a Proof of Claim and Release form to potentially get benefits, or you can exclude yourself from the Settlement, or object to it.

The United States District Court for the Southern District of New York (500 Pearl St., New York, NY 10007-1312) authorized this Notice. Before any money is paid, the Court will hold a Fairness Hearing to decide whether to approve the Settlement.

Who Is Included?

You are a member of the "Settlement Class" if you purchased, sold, held, traded, or otherwise had any interest in Euroyen-Based Derivatives at any time from January 1, 2006 through June 30, 2011, inclusive. Excluded from the Settlement Class are (i) the Defendants and any parent, subsidiary, affiliate or agent of any Defendant or any co-conspirator whether or not named as a defendant; and (ii) the United States Government.

Contact your brokerage firm to see if you purchased, sold, held, traded, or otherwise had any interest in Euroyen-Based Derivatives. If you are not sure you are included, you can get more information, including the Settlement Agreement, Mailed Notice, Plan of Allocation, Proof of Claim and Release, and other important documents, at www.EuroyenSettlement.com ("Settlement Website") or by calling toll free 1-866-217-4453.

What Is This Litigation About?

Plaintiffs allege that each Defendant, from January 1, 2006 through June 30, 2011, inclusive, manipulated or aided and abetted the manipulation of Yen LIBOR, Euroyen TIBOR, and the prices of Euroyen-Based Derivatives. Defendants allegedly did so by using several means of manipulation. For example, panel banks that made the daily Yen LIBOR and/or Euroyen TIBOR submissions to the British Bankers' Association and Japanese Bankers Association respectively (collectively, "Contributor Bank Defendants"), such as BTMU and MUTB, allegedly falsely reported their cost of borrowing in order to financially benefit their Euroyen-Based Derivatives positions. Contributor Bank Defendants also allegedly requested that other Contributor Bank Defendants make false Yen LIBOR and Euroyen TIBOR submissions on their behalf to benefit their Euroyen-Based Derivatives positions.

Plaintiffs further allege that inter-dealer brokers, intermediaries between buyers and sellers in the money markets and derivatives markets (the "Broker Defendants"), had knowledge of, and provided substantial assistance to, the Contributor Bank Defendants' foregoing alleged manipulations of Euroyen-Based Derivatives in violation of Section 22(a)(1) of the Commodity Exchange Act, 7 U.S.C. § 25(a)(1). For example, Contributor Bank Defendants allegedly used the Broker Defendants to manipulate Yen LIBOR, Euroyen TIBOR, and the prices of Euroyen-Based Derivatives by disseminating false "Suggested LIBORs," publishing false market rates on broker screens, and publishing false bids and offers into the market.

Plaintiffs have asserted legal claims under various theories, including federal antitrust law, the Commodity Exchange Act, the Racketeering Influenced and Corrupt Organizations Act, and common law.

BTMU and MUTB have consistently and vigorously denied Plaintiffs' allegations. BTMU and MUTB entered into a Settlement Agreement with Plaintiffs, despite each believing that it is not liable for the claims asserted against it, to avoid the further expense, inconvenience, and distraction of burdensome and protracted litigation, thereby putting this controversy to rest and avoiding the risks inherent in complex litigation.

What Does the Settlement Provide?

Under the Settlement, BTMU and MUTB agreed to pay \$30 million into a Settlement Fund. If the Court approves the Settlement, potential members of the Settlement Class who qualify and send in valid Proof of Claim and Release forms may receive a share of the Settlement Fund after they are reduced by the payment of certain expenses. The Settlement Agreement, available at the Settlement Website, describes all of the details about the proposed Settlement. The exact amount each qualifying Settling Class Member will receive from the Settlement Fund cannot be calculated until (1) the Court approves the Settlement; (2) certain amounts identified in the full Settlement Agreement are deducted from the Settlement Fund; and (3) the number of participating Class Members and the amount of their claims are determined. In addition, each Settling Class Member's share of the Settlement Fund will vary depending on the information the Settling Class Member provides on their Proof of Claim and Release form.

The number of claimants who send in claims varies widely from case to case. If less than 100% of the Settlement Class sends in a Proof of Claim and Release form, you could get more money.

How Do You Ask For a Payment?

If you are a member of the Settlement Class, you may seek to participate in the Settlement by submitting a Proof of Claim and Release to the Settlement Administrator at the address provided on the Settlement Website postmarked no later than September 25, 2018. You may obtain a Proof of Claim and Release on the Settlement Website or by calling the toll-free number referenced above. If you are a member of the Settlement Class but do not timely file a Proof of Claim and Release, you will still be bound by the releases set forth in the Settlement Agreement if the Court enters an order approving the Settlement Agreement.

If you timely submitted a Proof of Claim and Release pursuant to the class notice dated June 22, 2016 ("2016 Notice") related to the \$58 million settlements with Defendants R.P. Martin Holdings Limited, Martin Brokers (UK) Ltd., Citigroup Inc., Citibank, N.A., Citibank Japan Ltd., Citigroup Global Markets Japan Inc., HSBC Holdings plc, and HSBC Bank plc or pursuant to the August 3, 2017 Notice, amended September 14, 2017 (the "2017 Notice") related to the \$148 million settlements with Defendants Deutsche Bank AG, DB Group Services (UK) Ltd., JPMorgan Chase & Co., JPMorgan Chase Bank, National Association, and J.P. Morgan Securities plc, you do not have to submit a new Proof of Claim and Release to participate in this Settlement with BTMU and MUTB. Any member of the Settlement Class who previously submitted a Proof of Claim and Release in connection with the 2016 Notice or 2017 Notice will be subject to and bound by the releases set forth in the Settlement Agreement with BTMU and MUTB, unless such member submits a timely and valid request for exclusion, explained below.

What Are Your Other Options?

All requests to be excluded from the Settlement must be made in accordance with the instructions set forth in the Settlement Notice and must be postmarked to the Settlement Administrator no later than June 7, 2018. The Settlement Notice, available at the Settlement Website, explains how to exclude yourself or object. All requests for exclusion must comply with the requirements set forth in the Settlement Notice to be honored. If you exclude yourself from the Settlement Class, you will not be bound by the Settlement Agreement and can independently pursue claims at your own expense. However, if you exclude yourself, you will not be eligible to share in the Net Settlement Fund or otherwise participate in the Settlement.

The Court will hold a Fairness Hearing in these cases on July 12, 2018, to consider whether to approve the Settlement and a request by the lawyers representing all members of the Settlement Class (Lowey Dannenberg, P.C.) for an award of attorneys' fees of no more than twenty-three percent (23%) of the Settlement Fund for investigating the facts, litigating the case, and negotiating the settlement, and for replenishment of the litigation fund created to reimburse their costs and expenses in the amount of no more than \$500,000. The lawyers for the Settlement Class may also seek additional reimbursement of fees, costs, and expenses in connection with services provided after the Fairness Hearing. These payments will also be deducted from the Settlement Fund before any distributions are made to the Settlement Class.

You may ask to appear at the Fairness Hearing, but you do not have to. For more information, call toll free 1-866-217-4453 or visit the website www.EuroyenSettlement.com.

¹ "Euroyen-Based Derivatives" means (i) a Euroyen TIBOR futures contract on the Chicago Mercantile Exchange ("CME"); (ii) a Euroyen TIBOR futures contract on the Tokyo Financial Exchange, Inc. ("TFX"), Singapore Exchange ("SGX"), or London International Financial Futures and Options Exchange ("Liffe") entered into by a U.S. Person, or by a Person from or through a location within the U.S.; (iii) a Japanese Yen currency futures contract on the CME; (iv) a Yen LIBOR- and/or Euroyen TIBOR-based interest rate swap entered into by a U.S. Person, or by a Person from or through a location within the U.S.; (v) an option on a Yen LIBOR and/or Euroyen TIBOR-based interest rate swap ("swaption") entered into by a U.S. Person, or by a Person from or through a location within the U.S.; (vi) a Japanese Yen currency forward agreement entered into by a U.S. Person, or by a Person from or through a location within the U.S.; and/or (vii) a Yen LIBOR- and/or Euroyen TIBOR-based forward rate agreement entered into by a U.S. Person, or by a Person from or through a location within the U.S.

² The "Settlement Agreement" means the Stipulation and Agreement of Settlement with The Bank of Tokyo- Mitsubishi, UFJ, Ltd. ("BTMU") and Mitsubishi UFJ Trust and Banking Corporation ("MUTB") entered into on January 23, 2018.

BANKING & FINANCE**Brokers Face Stricter Rules**

By DAVE MICHAELS

WASHINGTON—Regulators next week are set to propose stricter rules aimed at preventing biased advice from skewing recommendations that stockbrokers provide to their clients.

The proposal from the Securities and Exchange Commission could eventually replace the Labor Department's "fiduciary rule," a regulation that required brokers handling retirement accounts to always put their clients' interest ahead of their own financial gain. A federal appeals court invalidated Labor's measure in March, ruling the government overreached its authority to regulate products such as individual retirement accounts. The government could appeal the decision.

The SEC's plan would impose a new duty on brokers who advise retail customers on investments. The regulator hasn't disclosed yet what that will involve—whether brokers will just have to disclose all conflicts of interest or whether they will effectively be forbidden from recommending certain investments that pay them more but aren't better for their clients.

The SEC's proposal will include a new disclosure intended to shine more light on whether a financial adviser is just a salesman or has a duty of loyalty to a client. The writ-

ten disclosure would clarify the differences between brokers and investment advisers, who have a duty of loyalty to customers. It also could require brokers to explain how conflicts of interest, such as sales commissions, can affect a broker's recommendations.

"A major goal of this initiative is to address investor confusion and lack of clarity about the services they receive from investment advisers and broker-dealers," Paul Celluccia, the SEC's deputy director of investment management, said at a compliance conference on Thursday.

Investment advisers, who charge fees based on an investor's assets instead of levying sales commissions, also would have to provide the document to customers, according to an SEC notice late Wednesday.



The SEC plans tougher standards tied to investment advice.

Consumer groups said they hope the proposal doesn't depend too much on new disclosures. Many mom-and-pop investors don't understand the legal difference between brokers and investment advisers, said Barbara Roper, director of investor protection for the Consumer Federation of America. Under current rules, brokers must give advice that is "suitable" for clients, meaning it fits their goals and risk tolerance. A new standard should ensure that brokers don't have as much leeway to sell higher-fee products that are "suitable" when cheaper or simpler alternatives would serve the same goal in the investor's portfolio, Ms. Roper said.

If the SEC approves the proposal next week, it would be subject to at least two months of public comment.



The SEC plans tougher standards tied to investment advice.

Hearst Acquires Rest of Fitch

By AUSTEN HUFFORD

Media conglomerate Hearst Corp. is becoming the sole owner of Fitch Group, buying the remaining 20% stake in the credit-ratings information provider for \$2.8 billion.

Privately held Hearst is buying the stake from financial-services company Fimalac SA.

Fitch issues grades on bonds and other assets based on their credit risk. It is one of the big three credit-ratings firms, along with S&P Global Inc. and Moody's Corp. In re-

cent years, Fitch has been expanding into other data products with more than 20% of revenue now coming from outside the ratings business.

While Hearst is best known for its media assets, which include holdings in newspapers, magazines and television channels, it also owns companies aimed at serving businesses such as drug-database provider First Databank and home-health software company Homecare Homebase.

Hearst bought its original interest in Fitch in 2006 and

increased its holdings to 80% in 2015.

Media companies have viewed expanding into business information as a path to diversify from the rocky news-publishing world as well as using financial publications to drive use of data products.

Earlier this year, Thomson Reuters Corp. struck a deal to sell much of its financial-information and terminal business for \$17 billion to a group led by Blackstone Group LP. The deal will split the news service from the financial and risk business.

ADVERTISEMENT**Legal Notices**To advertise: 800-366-3975 or WSJ.com/classifieds**CLASS ACTIONS****UNITED STATES DISTRICT COURT****SOUTHERN DISTRICT OF NEW YORK****In re PLY GEM HOLDINGS, INC. ("PLY GEM") SECURITY LITIGATION****This Document Relates To:****ALL ACTIONS.****Civil Action No. 1:14-cv-03577-JPO****CLASS ACTION****SUMMARY NOTICE****TO: ALL PERSONS WHO PURCHASED OR ACQUIRED THE COMMON STOCK OF PLY GEM HOLDINGS, INC. ("PLY GEM") DURING THE PERIOD FROM MAY 23, 2013 TO DECEMBER 15, 2014, INCLUSIVE**

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the Southern District of New York, at 10:30 a.m., before the Honorable J. Paul Oetken, United States District Judge, at the United States District Court for the Southern District of New York, Thurgood Marshall United States Courthouse, 40 Foley Square, New York, NY 10007, for the purpose of determining: (1) whether the proposed Settlement of the above-captioned Action, as set forth in the settlement agreement reached between the parties, consisting of Twenty-Five Million, Nine Hundred Fifty Thousand Dollars (\$25,950,000.00) in cash, should be approved as fair, reasonable, and adequate to the Members of the Class; (2) whether the release by Class Members of claims as set forth in the settlement agreement should be authorized; (3) whether the proposed plan to distribute the settlement proceeds (the "Plan of Allocation") is fair, reasonable, and adequate; (4) whether the application by Lead Plaintiff's counsel for an award of attorneys' fees and expenses and the expenses of Lead Plaintiff should be approved; and (5) whether the Judgment, in the form attached to the settlement agreement, should be entered.

Please note that the date, time and location of the settlement hearing are subject to change without further notice. If you plan to attend the hearing, you should check the docket or contact Lead Counsel (identified below) to be sure that no change to the date, time or location of the hearing has been made.

IF YOU PURCHASED OR ACQUIRED ANY OF THE COMMON STOCK OF PLY GEM DURING THE PERIOD FROM MAY 23, 2013 THROUGH DECEMBER 15, 2014, INCLUSIVE, YOUR RIGHTS WILL BE AFFECTED BY THE SETTLEMENT OF THIS LITIGATION.

If you have not received a detailed Notice of Pendency and Proposed Settlement of Class Action ("Notice") and a copy of the Proof of Claim and Release form ("Proof of Claim"), you may obtain copies by writing to *Ply Gem Securities Litigation, Claims Administrator, c/o GCG, P.O. Box 10552, Dublin, OH 43017-7252*, or on the internet at www.plygemsecuritiessettlement.com.

If you are a Class Member, in order to share in the distribution of the Net Settlement Fund, you must submit a Proof of Claim by mail (*postmarked no later than June 29, 2018*) or submitted electronically *no later than June 29, 2018*, establishing that you are entitled to recovery. Unless the deadline is extended, your failure to submit your Proof of Claim by the above deadlines will preclude you from receiving any payment from the Settlement.

If you are a Class Member and you desire to be excluded from the Class, you must submit a request for exclusion such that it is *received no later than June 8, 2018*, in the manner and form explained in the detailed Notice, referred to above. All Members of the Class who do not timely and validly request exclusion from the Class will be bound by any judgment entered in the Action pursuant to the Stipulation and Agreement of Settlement.

Any objection to the Settlement, the Plan of Allocation of settlement proceeds, or the fee and expense application must be mailed to each of the following recipients, *postmarked no later than June 8, 2018*:

CLERK OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
DANIEL PATRICK MOYNHAN
UNITED STATES COURTHOUSE
500 Pearl Street
New York, NY 10007

Lead Counsel:
ROBBINS GELLER RUDMAN
& DOWD LLP
ROBERT M. ROTMAN
58 South Service Road, Suite 200
Melville, NY 11747

Counsel for Certain Defendants:
PAUL, WEISS, RIFKIND, WHARTON
& GARRISON LLP
GREGORY F. LAUFER
1285 Avenue of the Americas
New York, NY 10019-6064

PLEASE DO NOT CONTACT THE COURT, THE CLERK'S OFFICE OR DEFENDANTS REGARDING THIS NOTICE. If you have any questions about the Settlement, you may contact Lead Counsel at the address listed above.

DATED: March 20, 2018

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

PUBLIC NOTICES**ADVERTISEMENT OF HEARING OF ORIGINATING NOTICE OF MOTION****THE HIGH COURT OF IRELAND COMMERCIAL RECORD No. 2018/111 COS****IN THE MATTER OF JOHNSON CONTROLS INTERNATIONAL PLC****AND IN THE MATTER OF THE COMPANIES ACT 2014 AND IN THE MATTER OF A PROPOSED REDUCTION OF CAPITAL PURSUANT****TO SECTIONS 84 TO 86 OF THE COMPANIES ACT 2014**

CHINA DAILY

中国日报

ALL YOU NEED TO KNOW CHINA WATCH

This supplement was paid for and prepared solely by China Daily, an official publication of the People's Republic of China. The Wall Street Journal news organization and advertising department were not involved in the creation of this content.

FAVORITE COLOR: GREEN NEW ECONOMIC CENTER SETS OUT ITS PRIORITIES, P2



UP WITH THE PLAY ROBOTS GIVEN A SEAT AT GAMERS' TABLE, P3

Underground World a Home to Wonders

By WANG KEJU
and YANG JUN

Shuanghe Cave in Southwest China's Guizhou province, which was named the longest cave in Asia on March 24, houses a trove of wonders, including a lizard-like endangered species, 0.33 feet long and fossils of vertebrates such as giant pandas and what appear to be rhinoceros, saber-tooth tiger and elephant remains. The slithery lizard, found in an underground river in a major branch of the cave, is similar to a giant salamander. A full definition of the new species will require further research by scientists.

Unlike scientific surveys on the surface, a cave can retain traces of a place for a long time, including its ancient geology, meteorology, paleontology and even hydrology, said Li Po, chief engineer of the Guizhou Academy of Sciences' Mountain Resource Research Institute.

"Those key elements will help us better understand the ancient environment and our current environment. Guizhou is truly rich in geological resources, and many caves have unique ecosystems that need further research."

Shuanghe Cave is a karst formation that was discovered in the late 1980s. Nineteen major surveys have been carried out by Chinese and foreign researchers. This year's survey has begun.

Dong Xianwu contributed to this story.



Researchers explore Shuanghe Cave in Guizhou province.

PROVIDED TO CHINA DAILY

PAID ADVERTISEMENT

“

China's reform and opening-up meets its people's aspiration for development, innovation and a better life. It also meets the global trend toward development, cooperation and peace.”

PRESIDENT XI JINPING
IN THE KEYNOTE SPEECH AT
THE OPENING CEREMONY OF
THE BOAO FORUM FOR ASIA



Tariffs to Fall in Further Reform Push

博鳌亚洲论坛2018年年会

BOAO FORUM FOR ASIA ANNUAL CONFERENCE 2018

President Xi Jinping delivers the keynote speech at the opening ceremony of the annual conference of the Boao Forum for Asia 2018 in Boao, Hainan province, on April 10. LI XUEREN / XINHUA

Duty on cars and other products will be cut, President Xi Jinping says at forum opening. **An Baijie** reports

President Xi Jinping has announced important measures, including reducing tariffs on motor vehicles this year, to open the world's second-largest economy "wider and wider."

"We will take the initiative to expand imports," Xi said in the keynote speech at the opening ceremony of the annual conference of the Boao Forum for Asia in the southern island province of Hainan on April 10.

The theme of this year's conference was "An open and innovative Asia for a world of greater prosperity."

China does not seek a trade surplus, Xi said, adding that the country would like to increase imports and achieve greater balance of international payments under the current account.

"This year we will significantly lower import tariffs on motor vehicles and reduce import tariffs on some other products," he said. "We will import more products that are competitive and needed by our people."

The first China International Import Expo planned in Shanghai in November will not be just another expo in an ordinary sense, but "a major policy initiative and commitment taken of our own accord to open up the Chinese market," he said.

China will significantly broaden market access and create a more attractive investment environment, he said.

"An investment environment is like air, and only fresh air attracts more investment from the outside."

China will continue to strengthen protection of intellectual property rights, Xi said, adding that it will provide the biggest boost to the Chinese economy's competitiveness.

In his speech, he reaffirmed China's commitment to deepen reform and opening-up.

"China's reform and opening-up meets its people's aspirations for development, innovation and a better life. It also meets the global trend toward development, cooperation and peace."

Over the past 40 years China's GDP has grown at an average of about 9.5% a year, Xi said.

To promote common prosperity, countries have no choice but to pursue greater connectivity and integrated development, he said.

"Human history shows that openness leads to progress, while seclusion leaves one behind."

Austrian President Alexander Van der Bellen said that economic openness, which involves as many countries and sectors as possible, will benefit not only a small and open economy like Austria's, but all others, too.

"The so-called trade wars are the last thing we need," he said.

Mark Rutte, prime minister of the Netherlands, called in his speech for joint global efforts to oppose trade protectionism.

"History shows trade barriers divide not only markets but also the people and their ideas."

Singapore's Prime Minister Lee Hsien Loong said in his address at the opening ceremony that the multilateral World Trade Organization system must be the basis for global trade.

"Since China joined the WTO in 2001, its weight in the global economy and its share of world trade have grown enormously, and this has greatly benefited China itself and many other countries of the world, including Singapore."

Forum gives leaders chance to pool ideas

Boao Forum for Asia, established in 2001, is a nongovernmental and nonprofit international organization. Boao Town, Hainan province, serves as its headquarters. Since 2002 BFA has held its annual conference in Boao.

The forum is a high-level meeting of leaders of governments, businesses and academia in Asia and elsewhere. It arranges platform for dialogue involving the public and private sectors and academia. It is widely regarded as an important event at which Asia's future is envisaged and discussed.

This year's conference, with the theme "An open and innovative Asia for a world of greater prosperity," was held from April 8 to 11.

On the opening day the forum issued three annual reports, titled Asian Competitiveness, Progress of Asian Economic Integration and Development of Emerging Economies. They discuss Asian economic issues and set out what are seen as key challenges for regional growth.

Almost 2,000 politicians and business and media leaders, as well as academics took part in the forum.

Ban Ki-moon, former secretary-general of the United Nations, was elected chairman of the Board of Directors of the Boao Forum for Asia.

The General Meeting of Members of the Boao Forum for Asia elected the new board of directors, and Ban replaced Yasuo Fukuda, former Japanese prime minister, to become the new chairman of the 19-member Board of Directors.

Trade Tension Sparks Deep Concern

By CHEN WEIHUA

Trade tensions between China and the United States continue to escalate following the latest move by U.S. President Donald Trump to slap additional tariffs on \$100 billion worth of imports from China.

Trump made the new threat in a statement on April 5, a day after China announced 25% new tariffs on 106 U.S. goods, worth \$50 billion, ranging from soybeans and cars to whiskies and planes, in response to the U.S. Section 301 tariffs proposed on April 3 on 1,300 Chinese products, primarily technology goods, worth \$50 billion.

China responded swiftly to Trump's latest move on \$100 billion of imports with Ministry of Commerce spokesman Gao Feng vowing countermeasures. "China will fight to the end and is willing to pay any price. China will firmly fight back with new measures," he said.

"We don't want a trade war, but we are not afraid of it," said Foreign Ministry spokesman Lu Kang.

Just days earlier, China retaliated against new U.S. tariffs on steel and aluminum imports imposed on March 23. China targeted 128 U.S. products, worth \$3 billion, including nuts, fruits, pork and seamless steel pipes.

Amid concerns of a trade war, Larry Kudlow, the new director of the White House National Economic Council, has for days tried to calm concerns of U.S. investors and farmers by saying that the two countries are talking to each other and the threat of tariffs is just a negotiation tactic for Trump.

“

We don't want a trade war, but we are not afraid of it."

LU KANG
FOREIGN MINISTRY SPOKESMAN

Peter Navarro, the White House trade advisor and a China trade hawk, also indicated on April 5 that a solution will be found through negotiations between U.S. Trade Representative Bob Lighthizer and Treasury Secretary Steven Mnuchin and Chinese officials.

But Gao of the Chinese Ministry of Commerce said that the two sides have not held any talks over the current trade friction, adding that "it's impossible for both side to engage in any negotiation under U.S. coercion."

The proposed Section 301 tariffs will have a public comment period until late May. The Trump administration will then have 180 days to decide if it wants to enact the tariffs.

Douglas Paal, vice-president for studies at the Carnegie Endowment for International Peace, said White House officials are sending confusing signals. "That may be Mr. Trump's intention, to meet political and economic objectives that are a bit out of alignment with each other. But it may reflect different objectives from different wings of the White House," he said.

Many U.S. lawmakers, especially from

the Midwest farm states, have voiced deep concern that a trade war with China would negatively impact their local economies and the mid-term elections later this year. Eight out of the top 10 soybean-producing and exporting states in the U.S. voted for Trump in 2016.

Senator Chuck Grassley, a Republican from Iowa, a major soybean exporter to China, said farmers and ranchers should not bear the brunt of any trade war.

"If U.S. farm exports are squeezed out of the Chinese market by double-digit tariffs, the rural economy would suffer a severe downturn. That's why I have been urging the president and his administration to carefully consider the devastating repercussion that tariffs present for rural America," he wrote in an article posted on his website on April 6. Grassley recently went to China with a Congressional delegation amid growing bilateral trade tension.

Marcus Noland, executive vice-president and director for studies at the Peterson Institute for International Economics, said the Trump administration has not really articulated its goal, a mechanism or a timeline.

"They seem to be going off on a trajectory where they are going to act tough. They're not going to have clear goals. They're not going to have a clear mechanism for resolving the issues, and they really seem to be heading in a direction that imposition of measures that are supposed to address some kind of issue and end up just being a permanent feature," he said.

SEE "TARIFFS" ON P3

PAID ADVERTISEMENT



CHINA DAILY

21 China



An aerial view of Baiyangdian, the largest freshwater wetland in North China, in Xiongan New Area, Hebei province. MU YU / XINHUA

A year ago plans to develop Xiongan New Area into a demonstration center for innovative development were announced, and local small-sized companies, which are often major polluters, are quickening up the pace of going green to meet strict environmental standards.

On April 1 last year, Liu Jianhong, president of Xuerusha Feather and Down Product Co., which makes winter-wear like down jackets, heard about Xiongan New Area.

The company is in Dazhangzhuang village, Anxin county, Baoding, which is a less developed region in the central part of Hebei province.

From news reports he gleaned a rough idea of what the region would be like.

According to an earlier report by Xinhua News Agency, the aim is for Xiongan New Area to have a global perspective and conform to international standards.

The zone is expected to help spare Beijing of functions unrelated to its status as national capital and has caught the spotlight worldwide with its fast and efficient construction.

Xiongan New Area will initially cover about 40 square miles and later cover Xiong'an, Rongcheng and Anxin counties in Hebei province, eventually taking up about 770 square miles.

The move is a "major historic and strategic choice made by the CPC Central Committee with Comrade Xi Jinping as the core," said a circular issued a year ago by the CPC Central Committee, which described the decision as "a strategy crucial for a millennium to come."

The new area, about 60 miles southwest of Beijing, is among measures to advance the coordinated development of the Beijing-Tianjin-Hebei region. It is the third new area of national significance after Shenzhen Special Economic Zone and Shanghai Pudong New Area.

Liu found his company was located at the very center of Xiongan New Area.

Proposed modern economic center makes progress, but change rattles some local firms. **Wang Yanfei** reports



Clockwise from above: Workers of China State Decoration Group Co., with a scale model of a service center. WANG JING / CHINA DAILY

The Xiongan Citizen Service Center being built in the new economic zone near Beijing. MU YU / XINHUA

Xiongan New Area — A Timeline

- July 6, 2017 – D6655, a new high-speed train connecting Beijing and Xiongan New Area, starts service
- July 18, 2017 – China Xiongan Construction and Investment Group Co. Ltd. is established
- Sept. 28, 2017 – Forty-eight enterprises, including Alibaba, Tencent, Baidu, JD Finance, Qihoo 360, China Telecom and PICC, are admitted into Xiongan New Area
- Feb. 10, 2018 – The administrative committee of Xiongan New Area holds an academic seminar on the theme "Exploring a new model of residential leasing management with home rental loans as a point of entry," aiming to establish a mechanism for home leasing
- March 1, 2018 – The Xiongan campuses of Beijing Chaoyang Experimental Primary School, Beijing No. 80 High School, Beijing 61 Kindergarten, and Beijing Haidian Zhongguancun No. 3 Primary School are founded
- Feb. 28, 2018 – Construction of the Beijing-Xiongan Intercity Railway begins

Source: CHINA DAILY

"It was something like hitting a jackpot," he said. "Something big is going to happen here, bringing new opportunities."

He thought the influx of more new residents into the region might increase his company's sales, but he later found that an immediate challenge ahead was to adapt to stricter environmental standards, the central government having made environmental protection a priority.

For the past several decades the down and feather industry has been pivotal to local economic growth. Local manufacturers of down clothing could easily get raw materials. For example, the soft layer

of duck feathers was obtained from the nearby Baiyangdian wetland, a region that includes more than 140 lakes.

Villagers either started business at home, worked for local factories, or set up small firms to produce down products. But sewage generated in the process was dumped directly into the wetland, damaging the ecological system.

There were 68 small-sized companies and family-owned workshops in the village, but half of them had to shut because they failed to meet the new environmental standards by the end of last year.

The remaining 34 factories were

asked to cut production time by half to reduce pollution, mainly sewage flowing into Baiyangdian lakes.

"Local governments have tightened up regulation over environmental protection since last year," said Chen Yue, a villager who has closed his family-owned down production workshop last year.

"Officials conducted random inspections and no one dared to restart factories that had to be closed. Any company that failed to meet environmental standards or failed to get a license for operations had to shut down. There are no other options. The low-end manufacturing sector won't be allowed to continue."

It will not be an easy task for local people to find a new economic driver in the short term, experts said, as the whole province has long relied on resource-dependent industries, falling behind other comparable regions.

Last year the tertiary sector accounted for 41.7% of total economic output in Hebei province, about 10 percentage points lower than the national average.

The indicator was way lower than that of Tianjin and Beijing.

"Moving away from traditional highly polluted industries will be a painful process for companies, and yet it is an irreversible trend," said Chen Jian, vice-president of the China Society of Economic Reform.

Liu's company is one of the remaining businesses that took steps to remake themselves so as not to violate the environmental standards and thus stand a better chance to stay competitive.

He moved production lines of all products to another base, in Linyi, Shandong, that he established in 2010.

The relocation would also help avoid rising labor costs in Xiongan, which have almost doubled since last year, Liu said.

He plans to renovate the factory and turn it into a hotel for young skilled people seeking work there.

Part of the space will be turned into a museum as well, to keep alive memories of the Anxin county, he said.

"Large-scale high-tech, clean energy, water treatment and financial industries are encouraged to come to Xiongan in the early stages, and later there will be more measures to encourage entrepreneurs to start their businesses," said a researcher who has helped draft the construction plan.

"Entrepreneurs and innovators who can help local companies to transform through the Internet Plus strategy are particularly welcome," he said.

An Baijie contributed to this story.

News Digest

Expo proves to be strong magnet
More than 1,600 companies from more than 120 countries and regions have applied to attend the China International Import Expo, to be held in Shanghai in November. More than 600 applicants have signed contracts for the event, which will occupy a display area of about 30 acres, the organizer said.

Yuan crude futures eye global move
The Chinese futures market took another step toward internationalization with the unveiling on March 26 of yuan-denominated crude oil future contracts, the first of their kind open to overseas investors.

The futures, under discussion for nearly 17 years, will set a crude oil pricing benchmark that reflects supply and demand in China and Asia, said Jiang Yang, vice-chairman of the China Securities Regulatory Commission. With this step, China is taking the lead with innovative measures to make up for the lack of a benchmark for crude oil in Asia, industry insiders say.

WeChat on board to lure tourists

Washington's tourism department announced on March 20 that it is partnering with the social media app WeChat to attract more Chinese tourists. As part of the partnership, Tencent, the owner of WeChat, will help businesses in Washington to set up official accounts on its platform, create WeChat mini-programs, and plug into the WeChat Pay system.

Tomb held liquor of very old vintage

Archaeologists have unearthed a bronze kettle containing liquor from a tomb dating back more than 2,000 years in Shaanxi province. The kettle is a sacrificial vessel. It was among 260 items unearthed from a graveyard of commoners' tombs from the Qin Dynasty (221-206 B.C.). Most of the relics were for worship rituals. Xu Weihong, a researcher with the provincial archaeological institute, said about 300 milliliters of liquor was found in the kettle, which had its opening sealed with natural fibers. The liquor is a transparent, milky white.

Panda cubs have ID microchips

All 17 pandas born at Shenshuping protection base in Wolong National Nature Reserve, Sichuan province, last year have had ID microchips implanted to trace their movements and keep records of their growth. "The ID chip is half the size of a grain of rice," said Li Desheng of the China Conservation and Research Center for the Giant Panda. "It contains a unique identification code and, using a sensor, the panda's basic information such as health records and age can be retrieved."

Power generator for sun and rain

Scientists have developed a cost-effective hybrid power system that generates electricity both in sunny conditions and by collecting rain. In a study published in the latest edition of ACS Nano, a monthly scientific journal

Firms helped recruit foreign lawyers

Shanghai is drafting rules that will allow local law firms to employ foreign

lawyers, as the city aims to boost legal services for overseas investors.

It was announced on March 28. The city's Justice Bureau said it is ironing out procedures for recruiting legal professionals from overseas and their qualification requirements. "As an incentive, we may also provide policy support to assist expat lawyers in obtaining residence permits in Shanghai, as well as receiving social welfare and social security," said Lu Weidong, director of the bureau.

Farmers pick spring tea in Bashan, a village in Zhejiang province, on March 26. Some 1,650 acres of tea is planted and farmers in the village in Hangzhou sell more than 210,000 kilograms a year. The crop has become villagers' main source of income. XU YU / XINHUA

Tea for two

Farmers pick spring tea in Bashan, a village in Zhejiang province, on March 26. Some 1,650 acres of tea is planted and farmers in the village in Hangzhou sell more than 210,000 kilograms a year. The crop has become villagers' main source of income. XU YU / XINHUA

of the American Chemical Society, scientists from Soochow University in Jiangsu province presented their invention — a device that combines an existing solar cell with a triboelectric nano-generator. Solar energy is collected as the source for electricity, and the generator harvests the mechanical energy generated from the motion of raindrops and transforms it into electricity.

China Daily on board to lure tourists

Washington's tourism department

CONTACT US

China Daily

15 Huixin Dongjie, Chaoyang, Beijing, China 100029
+86 (0) 10 64918366
chinawatch@chinadaily.com.cn
Advertising:
+86 (0) 10 64918631;
ads@chinadaily.com.cn
Website: www.chinadaily.com.cn
Follow us on:
Facebook.com/chinadaily
Twitter.com/ChinaDailyUSA

China Daily U.S.A.

1500 Broadway, Suite 2800,
New York, NY 10036
+1 212 537 8888
editor@chinadailyusa.com

China Daily Asia Pacific

Room 1818, Hing Wai Centre,
7 Tin Wan Praya Road,
Aberdeen, Hong Kong
+852 2518 5111
editor@chinadailyhk.com
editor@chinadailyasia.com

China Daily U.K.

90 Cannon Street, London
EC4N 6HA
+44 (0) 207 398 8270
editor@chinadailyuk.com

China Daily Africa

P.O. Box 27281-00100,
Nairobi, Kenya
+254 (0) 20 2428589
editor@chinadailyafrica.com

PAID ADVERTISEMENT



Business | 3

Robot That Makes World of Gaming More Human

Developers have combined gaming content with real-life interaction, and in any strife between gamers, a mechanical referee will have the last say. **Zheng Yiran** reports

The party card game *Werewolf* is a regular part of life for Tracy Xing, 27, an office clerk in Beijing who meets colleagues to play the game in her office's public area at noon every Friday.

Now she has a new game mate — a robot.

Werewolf is a simple reasoning group game that requires a judge to preside over the activity. It can be played online, with different roles such as villagers and killers assigned to the players and the computer acting as the judge.

Like Xing, many people prefer to play the game with friends or colleagues face-to-face offline, and the players take turns being the judge. But now, an AI robot can serve as the judge so that the participants can enjoy the game even more.

During the game, the robot, invented by Rokid Co. Ltd., an AI firm in Hangzhou, can give instructions and play background music, creating an immersive experience for players.

Rokid gained a patent award in Silicon Valley last year for its *Werewolf* judge function.

"Having robots take some of humans' routine work, and set people free to engage in face-to-face interaction, is the original intention of inventing Rokid," said Jiang Gonglue, chief designer of the AI robot.

"In this information technology era, people are used to chatting with friends via WeChat. We wish to bring our users back to the time when we accompany our friends and talk with each other face-to-face," Jiang said, adding that the company will continue to develop multiplayer social games based on AI robots, such as knowledge quiz and music contest.

Misa Zhu, founder and chief executive of Rokid, said that "taking advantage of AI, we want to create a cozy and pleasant environment for friends to stay closer."

Apart from promoting social interaction, AI technology is also helping get game players involved in exercises offline in the real world.

Walkup, a mobile game developed by the internet company Breeze Co. Ltd. of Beijing, integrates offline walking with mobile games, via a virtual world cruise.

Specifically, each step the user physically takes will be tracked by



A group of people play the party card game *Werewolf* with an AI-enabled robot invented by Rokid Co. Ltd. as the judge.

PROVIDED TO CHINA DAILY



AI will take the place of many scenario-based functions, ... boosting the advancement of the gaming industry, as well as serving game players better."

DONG ZHEN
ENTERTAINMENT ANALYST WITH THE INTERNET CONSULTANCY ANALYSIS

Walkup and transferred to the outline of a world map. The more steps one takes, the further one walks in the virtual world tour. To offer more fun, the game allows real-time interaction. Players may invite their friends to join the game and compare their progress on their routes. Because players worldwide can take part, participants can even see their world rankings.

By September the game had accumulated more than six million users, three years after it was launched, with those aged 19 to 30 accounting for more than 70% of the users, according to Chen Yang, founder of Walkup.

Specifically, each step the user physically takes will be tracked by

The number of daily active users surpassed 400,000, with a monthly retention rate of more than 30% and 2.4 million visits every day.

"The gamification of a product is the future trend. In the game, we establish a motivating mechanism, encouraging users to exercise offline. In their daily routine, users enjoy the game, interact with their friends and achieve their goals of exercising every day. This is how we gain user loyalty," Chen said.

"This mobile game motivates me to exercise. It tracked my steps and transferred those steps onto my world map," said Lu Bei, 25, a Beijing-based Walkup fan.

"Starting from Beijing, China, ... I've already 'walked' to Tokyo, Japan. Nowadays, I take my phone everywhere. I would love to see my icon move on the map, and to check my ranking among my friends," Lu said.

Dong Zhen, an entertainment analyst with the internet consultancy Analysis in Beijing, said the gaming industry, "like other internet industries, will present its scenarios offline after all."

"For users, offline scenarios of a game are more vivid, and are easier for gamers to interact with each other,

while for game developers, combining online gaming with offline interactions is a wise choice to gain the loyalty of users and expand their market share," Dong said.

"AI will take the place of many scenario-based functions, just like what the AI robot is doing in getting everybody involved in the *Werewolf* game, boosting the advancement of the gaming industry, as well as serving game players better."

According to a report jointly issued by the Game Publishers Association Publications Committee, Gamma Data Corp. and International Data Corporation, China's gaming market was worth 203.6 billion yuan (\$32.3 billion) last year, up 23% year-on-year, and the number of game players in the country reached 583 million.

AI products such as the judge in the *Werewolf* game, which link game players online and offline, have a market potential of about 70 billion yuan, according to Gao Yang, a big data specialist at YY Inc., a Nasdaq-listed social platform.

The AI industry will become a key new growth point for the nation's economy by 2020, with the core industry value totaling more than 150 billion yuan, according to a guideline released by the State Council last July.

Short and Sweet is Secret of Success

By HE WEI

China's booming short video services are becoming popular overseas with companies looking to capitalize on markets where mobile internet is developing rapidly.

Vigo Video, the overseas version of the Chinese short video app Huoshan Video, has topped the download chart in Brazil and Indonesia's Google Play software store, just three months after taking its offerings outside China.

This follows the successful landing of TikTok — an overseas iteration of the short video app Douyin — in Thailand and Japan, said Beijing Bytedance Technology Co. Ltd., the company behind these apps.

Like many services, Vigo Video looks to capture moments in life by offering easy-to-use video editing tools, as well as a suite of special effects such as the real-time beautifying camera to attract users.

But the biggest selling point is its use of artificial intelligence, which can help users discover videos and connect with audiences for their works through personalized content feeds.

The tech firm, which started out with an algorithm-backed news aggregator Toutiao, is on a buying spree to drive the globalization goal set by its founder and CEO Zhang Yiming.



Short video is proving to be the next global trend in terms of mobile entertainment."

MA SHICONG
NEW MEDIA ANALYST AT THE CONSULTANCY ANALYSIS

By launching indigenous services and acquiring foreign startups from musical.ly to Top Buzz, Bytedance houses more than 100 million content creators across Southeast Asia, Europe and the Americas.

It is looking to have more than half the users coming from overseas in three years, Zhang said at a public meeting in March.

"Our approach (for overseas expansion) is to utilize AI technologies to empower local content creators and partners," said Liu Zhen, senior vice-president of the company.

Short video entertainment is gaining momentum in China as attention spans shorten and people become increasingly time-conscious.

The consultancy iiMedia said that while the sector is projected to boast 353 million users this year, growth is slowing, from 74% in 2016 to 46% this year.

The market is scattered, with dozens of players, including Kuashou, Miaopai, Douyin and Xigua Video, which are all scrambling for a share of people's attention on their respective apps.

"Given the intensified domestic competition, going overseas is a good choice to optimize their resources, enhance their user base and enrich their content offerings," said Neil Wang, president of the consultancy Frost & Sullivan China.

Southeast Asia and South America are notably gravitating to short video companies thanks to a massive young population eager to embrace the fast-developing mobile internet, said Ma Shicong, a new media analyst at the consultancy Analysys.

"Short video is proving to be the next global trend in terms of mobile entertainment. AI-powered recommendation mechanisms are adding a stream to Chinese players, whose technologies are already world-leaders."

But Chinese companies should beware of potential hurdles arising from cultural, religious and political differences as they step up their pace of expansion, Wang said.

Tariffs: Numbers Called Misleading

FROM PAGE 1

Fred Bergsten, a senior fellow and director emeritus of the Peterson Institute, expressed concern about Trump's demand for China to reduce the bilateral deficit by \$100 billion. "What he wants is some declaration of a victory that he is cutting the bilateral deficit," he said.

Trump regularly blames China and other nations for the U.S. trade deficit. On April 7, he tweeted that "The United States hasn't had a trade surplus with China in 40 years. ... The U.S. is losing \$500 billion a year." In reality, the U.S.-China trade deficit was \$375 billion according to U.S. data and \$275 billion according to Chinese data.

Most economists believe the bilateral trade deficit does not matter and the U.S. trade deficit is a result of its fiscal policy, low savings rate and the role of the U.S. dollar as a global currency. Trump tax cuts effective this year are also set to widen the trade deficit.

Many economists are alarmed at Trump's misreading of the trade deficit as a loss for the U.S. The U.S. trade deficit with China is misleading because China has become the global assembly line where most high-value components are supplied by other countries.

The often-cited example is the iPhone. While each phone is counted as hundreds of dollars by the U.S. as an import from China, China only makes \$10 on an iPhone; the rest goes to Apple, and other



Workers sort almonds at a packing plant in California. XINHUA

U.S., Japanese, South Korean and German companies.

A Deutsche Bank Research report in late March pointed out that the U.S.-China trade imbalance is misleading because it includes only trade but not the sales generated through U.S. subsidiaries based in China, which reached \$223 billion in 2015 and are rising.

For example, General Motors sold more than 4 million cars in China in 2017 and there were 310 million active iPhones in China with Apple generating \$48 billion revenues in 2016, figures that have not been counted in bilateral trade because they were mostly made in China.

According to the bank's aggregate sales balance, the bilateral imbalance was only \$30 billion in favor of China but tilting toward the U.S.

Besides trade deficits, Washington has accused Beijing of forcing U.S. companies investing in China to transfer technology, and theft of U.S. intellectual property.

The Chinese government has denied the accusation and says the country has been working to strengthen intellectual property protection to evolve into an innovation-driven society.

Premier Li Keqiang said at the recent National People's Congress that China will not force any technology transfer from any foreign company and will enhance efforts to protect intellectual property rights and severely crack down on infringements. Li said he welcomes more globally competitive businesses to share China's growth opportunities.

While Chinese and U.S. officials have not directly engaged in talks to resolve the current tension, it is not clear if Chinese Minister of Finance Liu Kun and People's Bank of China Governor Yi Gang will meet senior Trump officials during the 2018 IMF/World Bank Spring Meeting to be held in Washington from April 20 to 22.

Senator Deb Fischer, a Republican from Nebraska, tweeted on April 4 that the proposed retaliation from China will have a negative impact on her state. "@POTUS must negotiate with the Chinese in a constructive way to get good trade results for our farmers and ranchers," she said.

Grassley, the Iowa senator, said history shows that tariffs can spiral into global instability and economic uncertainty. "The U.S. and China need to step away from the edge of the tariff cliff and broker trade agreements in good faith that open market access in both nations to create higher-paying jobs, benefit consumers, drive investment and productivity and grow the economic pie for generations to come," he said.

"A trade war would be immensely damaging to China, the U.S., and the world. Supply chains would be disrupted, factories would close, people would lose their jobs, and global financial markets would fall," said Henry Levine, a senior advisor at consulting firm Albright Stonebridge Group and a former U.S. deputy assistant secretary of commerce.

"No one can win a trade war," he said.

PAID ADVERTISEMENT

ALL YOU NEED TO KNOW

**CHINA
WATCH**CHINA DAILY 

4 | Life



Tongue-Tied Path to Being Media Top Dog

A desire to learn Chinese led this journalist to China, where she found a passion for food, a husband and a new place to call home.

Alywin Chew reports

Crystal Mo's chops as an authority on food is without doubt impressive.

Besides being a well-known food writer, the Shanghai-based American has appeared as a guest and host on television programs featuring cuisines from around the world.

Mo is also the academy chair for The World's 50 Best Restaurants for China and South Korea, and the strategic adviser and equity partner at BonApp, a food and social networking app developed by a Shanghai startup.

However, this illustrious career in food was one she accidentally fell into.

Her stumbling block? A desire to learn Chinese.

"I thought I was either going to work in the fields of medicine or psychology when I was in college, but I got waylaid by my 'China project,'" quipped the 44-year-old.

"My decision to learn the language was rather random. Maybe it was because my mother is from Shanghai, but it certainly wasn't because of a burning desire to find my roots. I didn't grow up thinking I was Chinese. I felt 100% American. My mother left China when she was 5, and she speaks American English. We don't speak Chinese at home."

Mo started to learn Chinese in 1996 at Nanjing University in Jiangsu province. She also did a short stint at the Johns Hopkins graduate program in the city before enrolling in the Inter-University Program for Chinese Language Studies at Tsinghua University in Beijing.

Learning the language, Mo said, ranked among the toughest challenges in her life. There were times when she felt deflated by the magnitude of the task.

"Studying Chinese from scratch as an adult is an awful experience. It's rewarding, but really hard," she laughed.

"I remember walking down the streets in Nanjing and seeing someone talk to his dog. I didn't understand what he was saying but the dog seemed like it could. I was thinking that the dog probably speaks more Chinese than I do."

Her learning journey culminated

“

I love the idea of using food to bring people together. Food is a language that everyone speaks.”

CRYSTYL MO
U.S. FOOD WRITER LIVING IN SHANGHAI

at the Middlebury School in China, considered to be the gold standard in Chinese language teaching. Eager to use her newly acquired language skills, Mo found a position as a correspondent with the magazine *Asiaweek* in Hong Kong that allowed her to travel extensively across China.

Some of the highlights of her time at Time Warner included rubbing shoulders with the basketball player Yao Ming and the highly acclaimed Chinese film director Feng Xiaogang.

"I was with Feng Xiaogang on the day China won the bid to host the 2008 Olympics," she said. "He was driving his red BMW convertible. The entire city of Beijing was screaming. It was one of the most incredible days of my life."

Asiaweek closed down in 2001, Mo moved to Shanghai the next year to work as a freelance writer. She regularly contributed to magazines such as *Conde Nast Traveler* and *Travel and Leisure*, and this marked the beginning of her rise as a food expert.

"When you write about travel, you always write about food, and so I started to learn more about restaurants and chefs. This was when I realized that my past experience of being in the kitchen with my mother proved to be really valuable."

"I had absorbed from her a lot of knowledge about things that were only just starting to become in vogue, such as farm-to-fork dining, fermentation, ancestral recipes and cooking everything from scratch. My mother used to grind her own wheat to make bread. She also has an amazing organic garden."

The most significant moment of her adventure in Shanghai was also

food-related. While working on a *Conde Nast* article in 2003, Mo met Anthony Zhao, who used to be the chef de partie at the now defunct Laris Restaurant at the Bund. Sparks flew, at least from Mo's end. It was love at first touch.

"I realized he had these big, meaty hands with burns on them. Mine are quite big too, and so we both held up our hands to compare. I felt a chemistry the moment we touched hands," laughed Mo, who married Zhao in 2005.

"I was pretty into him. I'm not afraid to say I chased him. In fact, I'm proud of it. I have an awesome husband."

Even after taking on roles at Bon App and *The World's 50 Best Restaurants* a few years ago, Mo managed to find space on her plate to revisit her interest in psychology. The fastest way to getting a degree in the subject, she later found, was through an 18-month course at Columbia University in New York.

Reluctant to leave Shanghai, she decided to sign up for an online program by the Bulletproof Training Institute in 2016.

Now the only certified Bulletproof Coach in China, Mo often conducts coaching sessions to help clients raise their levels of happiness and self-awareness and find meaning in their lives.

"After studying about positive psychology and the science of happiness, I've realized that life is about gratitude, forgiveness and having genuine communication with people around you — that is what makes life meaningful."

In fact, the reason Bon App has a social networking feature was largely shaped by the last aspect.

"I told the founder of Bon App that I would only join if the company is about connecting people and not just about food," she said. "I want the app to have more meaning than something used to find the best French fries in town."

"I don't want to be involved in any more projects that are only about making profits. Anything that I'm doing has got to be meaningful. ... I love the idea of using food to bring people together. Food is a language that everyone speaks."

Bean There, Done That, in Red, Yellow, Green and Black

By PAULINE D. LOH

To the Chinese, food is medicine. Every mouthful is beneficial in some way, and there are strict rules as to when to eat, what to eat and how to eat.

It is only in the past 30 years that animal protein has played an increasingly large role in Chinese diets, a departure from the traditional daily meals where meat was frugally used as flavoring. The fattened pig, cow and lamb were killed only for major festivities.

Take a classic Chinese stir-fry, with its base of aromatics like garlic and ginger, followed by vast quantities of neatly cut vegetables and a few slivers of meat. The meat plays a supporting role and serves only to enhance the sweetness of the greens.

Chinese housewives have, over generations, developed ingenious ways of making plant protein taste good and compiled a whole encyclopedia of reasons to justify why these are good for you.

Just as Indian vegetarian food depends a lot on lentils and pulses, the Chinese pantry cannot do without beans.

Red beans, green beans, soybeans, black beans, speckled beans — even beans with "eyebrows." We eat these so often they have become forgotten part of the background of everyday home-cooked food.

Yet they are indispensable. We use them when we braise a pot of fragrant stewed meats, we use them in a vast variety of soups. We mix them into rice, deep-fry them as crunchy garnishes for noodles, we make desserts from them. The list is endless.

They are enjoyed equally by vegetarians and carnivores.

The ubiquitous red bean, or adzuki, is what mothers turn to when the family seems a little under the weather. A few handfuls soaked in water and added to the rice pot is said to improve blood.

In cases of more severe anemia, a course of red beans, aged citrus peel and dried Chinese jujube brewed as a drink will do the trick.

Red beans are also widely used in desserts, after they are cooked down to a thick sweet paste that then goes into cakes and snacks.

Their slightly smaller cousin,

the green or mung bean, is used in many ways, and often similarly. But while the red bean warms the blood, the green bean cools the body, so it is more often eaten in summer when the system easily overheats. Green bean soup, with a sprinkle of the appropriate dried herbs, will chase away thirst and sunstroke, as every Chinese granny will tell you.

Of course, sprouted green beans are probably the most familiar form, a favored micro-vegetable that is now equally beloved in international kitchens for its crisp sweet crunch, raw or lightly cooked.

And there is the soybean, upon which rests the foundation of all Chinese food.

Fresh, the bean is cooked in its pod and eaten as a vegetable.

Dried, it becomes the miraculous starter to sauces, pastes, drinks, seasoning and a whole category of ingredients starting from the humble bean curd and its huge extended family of related products.

Ground soybeans cooked in water become soybean milk. Soybean curds become tofu, which is then made into soft, hard, semi-fermented, fermented, salted and preserved products. It is almost impossible to enter a Chinese kitchen and not encounter the soybean in some form.

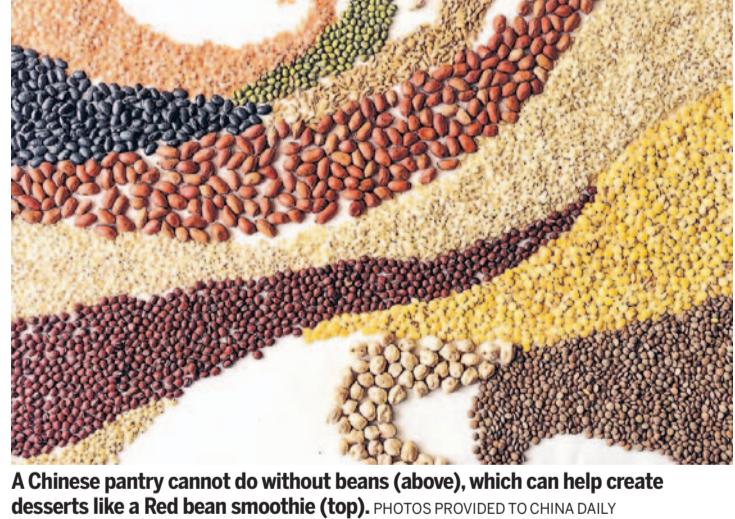
One reason for the processing was the embarrassing effect soybeans have on the human gut. But this inconvenience does not affect its popularity. The whole beans are still widely used to sweeten stock, add body to braised pots of meat and cooked and deep-fried as a beer snack.

Apart from the soybean, other beans are equally popular in various regions.

For example, there is the black-eyed pea, which the Chinese call *meidou*, or the cream-colored bean with black eyebrows, referring to the dark scar where the bean connects to its pod.

There is a rainbow of beans, from grass-green broad beans to deep chocolate kidney beans to red and white speckled beans. And every one is treasured.

The best way to show off the creativity with beans in the Chinese kitchen is to showcase some classic recipes, from staples to soups to desserts.



A Chinese pantry cannot do without beans (above), which can help create desserts like a Red bean smoothie (top). PHOTOS PROVIDED TO CHINA DAILY

Chinese Enterprises in the United States 2018

China Daily USA's latest yearbook on Chinese investment in the U.S.

KEY FEATURES

60+

60+ companies included

14

14 industries covered

Governors comment on Chinese investments

Index-like info as reference resources

Survey report on Chinese companies

\$70

To order please, call 212-537-8912 or write to readers@chinadailyusa.com.

CHINADAILY USA

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 composite quotations that include primary market trades as well as trades reported by Nasdaq BX (Formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq SIC.

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.
L-New 52-week low.
M-Loss in the most recent four quarters.
F-DFirst day of trading.
D-Does not meet continued listing standards.
L-Late filing.
Q-Temporary exemption from Nasdaq requirements.
T-NYSE bankruptcy.
V-Trading halted on primary market.
W-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Thursday, April 12, 2018

Net

Stock Sym Close Chg

A B C

ABB ABB 22.84 0.08

ADT ADT 9.10 0.08

AES AES 11.19 -0.13

Aflac AFL 44.65 0.46

AGNC Inv AGNC 18.62 -0.18

ANGI Homevngs ANGI 37.11 0.38

Ansys ANSS 15.94 2.03

ASML ASML 206.24 0.69

ATT T 35.16 -0.09

AbbottLabs Abbott ABT 58.83 0.66

AbbVie ABBV 92.12 -0.56

Abiomed ABMD 296.94 0.54

Accenture ACN 150.09 1.69

ActivisionBlz ATVI 67.22 1.37

Adient ADNT 66.19 0.52

AdobeSystems ADBE 226.96 3.33

AdvanceAuto AAPL 10.57 -0.36

AdmMicroDevices ADM 0.00 2.06

AdvSemigElec ASX 7.28 0.11

Aegon AEG 7.23 0.15

AerCap AER 51.86 0.20

Aetna AET 17.28 2.01

AffiliatedMtrs AMG 173.31 2.49

AgilentTechs AMT 67.20 1.12

AgnicoEagle AEM 43.51 -0.46

AirProducts APP 163.04 1.43

AkamaiTech AKAM 71.92 0.33

AlaskaAir ALK 60.27 1.21

Albermarle ALB 93.39 0.08

Alcoa AA 54.47 0.50

AlexandriaREst ARE 120.70 -0.39

AlexionPharm ALXN 11.21 0.50

Alibaba BABA 175.92 0.56

AlignTech ALGN 263.76 6.74

Alkermes ALKS 42.96 -0.04

Alleghany Y 593.67 6.45

Alleghon ALLE 85.31 0.77

Allergan AGN 166.31 1.25

AllianceData ADD 207.95 2.08

AlliantEnergy LNT 40.52 -0.50

Allstate ALL 96.75 0.55

AllyFinancial ALLY 27.60 0.39

AlynlianPharm ALNY 100.75 3.12

Alphabit A GOGL 103.79 12.23

Alphabet GOOG 103.25 11.24

AltaData ALTA 70.54 -0.01

AlticeUSA ATUS 19.16 0.13

Altria MO 63.40 -0.44

AlumofChina ACH 15.33 0.03

Amazon.com AMZN 1448.50 21.45

Ambev ABEV 6.77 -0.23

Amdocs DOX 66.53 0.27

Amrico UHAL 341.44 -2.36

AmeriTowerREIT AMT 138.38 -1.54

AmerWaterWorks AWK 80.65 -1.16

Ameriprise APP 145.33 2.16

AmerisourceBrgn ABC 88.19 -0.90

Armetek AMT 75.15 1.08

Amen AMGN 171.02 -1.39

Amphenol APH 86.14 0.86

AnadarkoPetrol APP 62.75 -0.45

AnalogyDevices ADI 93.02 2.22

Andeaor ANDV 110.13 -2.98

AndeaorLog ADGE 46.42 -0.46

AB InBev BUD 105.20 -1.05

AnnalyCap NLY 30.12 -0.11

AnterResources ANTR 20.74 -0.35

Anthenn ANTM 220.46 0.14

Aon AON 141.60 1.56

Apache APA 38.39 -0.26

Apartmentln AIV 40.70 -0.54

ApolloGlbMgmt APO 29.79 -0.02

Apple AAPL 174.14 1.70

ApparelGlobe HBLG 10.89 0.55

Aptargroup ATHE 97.09 2.57

Autohome ATHM 9.77 0.29

BancSouth BSCX 7.44 0.12

BankFinancial BFIN 27.15 0.21

BancWest BWA 17.70 0.09

BancWestBz BWA 7.70 0.09

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

24483.05 ▲ 293.60, or 1.21%
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio 25.86 20.82
P/E estimate * 16.34 17.59
Dividend yield 2.18 2.38
All-time high 26616.71, 01/26/18

Current divisor 0.14523396877348



Bars measure the point change from session's open

Jan. Feb. Mar. Apr. 22000 2450

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.

S&P 500 Index

2663.99 ▲ 21.80, or 0.83%
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio 25.04 24.45
P/E estimate * 16.88 18.25
Dividend yield 1.96 1.98
All-time high 2872.87, 01/26/18



Jan. Feb. Mar. Apr. 2525 2900

Nasdaq Composite Index

7140.25 ▲ 71.22, or 1.01%
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio 25.33 25.85
P/E estimate * 19.68 20.25
Dividend yield 1.06 1.11
All-time high: 7588.32, 03/12/18



Jan. Feb. Mar. Apr. 6500 7500

Major U.S. Stock-Market Indexes

High Low Latest Close Net chg % chg

Dow Jones 24592.12 24302.82 **24483.05** 293.60 **1.21**

Transportation Avg 10408.40 10221.47 **10360.41** 167.59 **1.64**

Utility Average 688.26 676.54 **678.16** -8.52 **-1.24**

Total Stock Market 27739.19 27541.72 **27632.44** 214.11 **0.78**

Barron's 400 719.77 714.66 **717.40** 4.34 **0.61**

Nasdaq Stock Market

Nasdaq Composite 7166.00 7105.09 **7140.25** 71.22 **1.01**

Nasdaq 100 6682.69 6618.81 **6656.26** 72.81 **1.11**

S&P

500 Index 2674.72 2653.83 **2663.99** 21.80 **0.83**

MidCap 400 1896.48 1884.61 **1890.00** 7.91 **0.42**

SmallCap 600 959.85 952.74 **956.52** 4.99 **0.52**

Other Indexes

Russell 2000 1562.46 1548.03 **1557.33** 10.52 **0.68**

NYSE Composite 12623.71 12552.72 **12580.22** 65.63 **0.52**

Value Line 554.96 550.99 **553.41** 2.42 **0.44**

NYSE Arca Biotech 4675.07 4605.96 **4650.31** 63.64 **1.39**

NYSE Arca Pharma 536.48 533.10 **534.24** 2.26 **0.42**

KWB Bank 109.24 106.82 **108.60** 2.31 **2.18**

PHLX® Gold/Silver 83.17 82.29 **82.76** -0.92 **-1.10**

PHLX® Oil Service 150.96 146.86 **149.77** 1.46 **0.98**

PHLX® Semiconductor 1343.20 1324.09 **1339.66** 24.60 **1.87**

Cboe Volatility 19.92 18.16 **18.49** -1.75 **-8.65**

\$ Nasdaq PHLX

Sources: SIX Financial Information; WSJ Market Data Group

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6:30 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	% chg	After Hours	High	Low
VanEck Vectors Gold Miner	GDX	4,757.0	22.55	0.08	0.36	22.56	22.47	
Micron Technology	MU	4,319.6	53.16	0.57	1.08	53.30	52.36	
SPDR S&P 500	SPY	3,684.1	265.66	-0.27	-0.10	266.10	263.74	
Ford Motor	F	3,021.3	11.31	...	unc.	11.40	11.28	
Intel	INTC	3,016.7	52.80	0.08	0.15	52.85	51.22	
Oracle	ORCL	2,632.8	45.88	...	unc.	45.92	45.85	
Pfizer	PFE	2,507.1	36.32	...	unc.	36.33	36.17	
Kinder Morgan	KMI	2,233.7	15.32	-0.02	-0.13	15.36	15.32	

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Broadcom	AVGO	422.5	250.40	10.97	4.58	251.00	238.67
Geron	GERN	98.6	4.11	0.12	3.01	4.12	3.97
Semtech	SMTC	176.3	45.30	1.20	2.72	45.30	44.09
PulteGroup	PHM	506.4	29.88	0.77	2.65	29.88	29.11
Albemarle	ALB	95.0	95.50	2.11	2.26	95.50	93.34
Zillow Group Cl C	Z	428.9	50.85	-2.75	-5.13	55.65	49.97
MBIA Inc	MBI	180.0	10.34	-0.51	-4.70	10.90	9.89
Sangamo Therapeutics	SGMO	52.1	19.05	-0.55	-2.81	19.65	19.05
First Data Cl A	FDC	72.0	15.23	-0.21	-1.39	15.44	15.23
Fitbit	FIT	54.3	5.25	-0.07	-1.32	5.32	5.25

...And losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Internet Gold-Golden	IGLD	4.30	-0.55	-11.34	11.51	4.25	-57.5
Daxor Corp	DXR	7.68	-0.92	-10.70	21.66	3.40	8.6
Daqo New Energy ADR	DQ	52.97	-6.29	-10.61	72.50	18.01	182.4
VirnetX Holding	VHC	4.15	-0.45	-9.78	8.75	2.03	93.0
PolarityTE	COOL	16.56	-1.75	-9.56	32.63	10.33	26.4
Galectin Therapeutics	GALT	4.27	-0.45	-9.53	6.74	2.18	35.1
Premium Resources	PVG	7.51	-0.76	-9.19	12.44	6.17	-31.9
Exela Technologies	XELA	4.60	-0.46	-9.09	10.00	4.37	-53.9
Verona Pharma ADR	VRNA	17.51	-1.72	-8.94	25.55	10.44	...
Apogee Enterprises	APOG	38.70	-3.76	-8.86	59.76	37.24	-23.7

Trading Diary

Volume, Advancers, Decliners

NYSE NYSE Amer.

Total volume* 744,904,216 11,358,011

Adv. volume* 423,985,836 6,441,233

Decl. volume* 310,911,157 4,358,490

Issues traded 3,068 320

Advances 1,606 146

Declines 1,351 151

Unchanged 111 23

New highs 53 1

New lows 42 2

Closing tick 352 36

Closing Arms* 0.82 0.75

Block trades* 5,888 124

Nasdaq NYSE Arca

Total volume* 1,975,506,885 216,323,922

Adv. volume* 1,384,828,448 103,832,967

COMMODITIES

WSJ.com/commodities

Futures Contracts

Metal & Petroleum Futures

	Contract	Open	High	Low	Settle	Chg	Open interest
Copper-High (CMX)	-25,000 lbs.; \$ per lb.	Open	High	Low	Settle	Chg	Open interest
April	3.0480	3.0590	3.0450	3.0600	-0.0520	1,104	
May	3.1135	3.1230	3.0405	3.0635	-0.0535	91,375	
Gold (CMX)	-100 troy oz.; \$ per troy oz.						
April	1351.20	1351.50	1334.60	1338.40	-18.10	1,348	
June	1356.30	1356.70	1336.70	1341.90	-18.10	402,010	
Aug	1362.60	1362.60	1342.90	1348.00	-18.20	53,559	
Oct	1366.60	1366.70	1349.00	1354.10	-18.30	7,824	
Dec	1374.80	1375.80	1355.80	1360.70	-18.40	52,627	
Feb'19	1378.50	1378.50	1363.00	1367.10	-18.30	2,497	
Palladium (NYM)	-50 troy oz.; \$ per troy oz.						
June	957.50	963.85	936.50	959.15	-1.80	20,443	
Sept	946.20	956.60	933.20	954.25	-1.90	2,523	
Platinum (NYM)	-50 troy oz.; \$ per troy oz.						
April	936.10	937.30	927.50	934.80	0.50	71,624	
Silver (CMX)	-5,000 troy oz.; \$ per troy oz.						
April	16.615	16.615	16.600	16.443	-0.295	217	
May	16.665	16.690	16.430	16.473	-0.295	118,807	
Crude Oil, Light Sweet (NYM)	-1,000 bbls.; \$ per bbl.						
May	66.79	67.33	66.00	67.07	0.25	238,541	
June	66.70	67.22	65.94	66.95	0.21	459,834	
July	66.36	66.87	65.63	66.58	0.14	205,393	
Sept	65.22	65.72	64.56	65.40	0.06	211,772	
Dec	63.67	64.07	62.97	63.72	0.24	262,354	
Dec'19	58.15	58.48	57.63	58.05	-0.19	145,135	
NY Harbor ULSO (NYM)	-42,000 gal.; \$ per gal.						
May	2.0946	2.1035	2.0689	2.0838	-0.089	91,466	
June	2.0850	2.0936	2.0614	2.0756	-0.074	113,494	
Gasoline-NY RBOB (NYM)	-42,000 gal.; \$ per gal.						
May	2.0645	2.0722	2.0392	2.0546	-0.0130	104,815	
June	2.0659	2.0735	2.0418	2.0571	-0.0120	110,973	
Natural Gas (NYM)	-10,000 MMBtu; \$ per MMBtu.						
May	2.673	2.700	2.647	2.686	.011	230,319	
June	2.707	2.731	2.684	2.717	.008	202,524	
July	2.755	2.777	2.732	2.761	.004	172,904	
Sept	2.771	2.789	2.751	2.776	.003	138,679	
Oct	2.785	2.802	2.764	2.790	.003	126,903	
April'19	2.660	2.677	2.647	2.679	.013	80,248	

Agriculture Futures

	Contract	Open	High	Low	Settle	Chg	Open interest
Corn (CBT) -5,000 bu.; cents per bu.							
May	386.50	389.25	385.00	388.75	1.75	428,833	
July	395.00	397.75	393.75	397.25	1.50	624,200	
Oats (CBT)	-5,000 bu.; cents per bu.						
May	238.75	241.00	237.00	237.50	...	3,475	
July	245.75	247.00	243.75	243.75	-25	2,477	
Soybeans (CBT)	-5,000 bu.; cents per bu.						
May	1047.75	1061.75	1047.25	1060.75	13.00	250,898	
July	1058.75	1072.50	1058.25	1071.75	13.00	366,479	
Soybean Meal (CBT)	-100 tons; \$ per ton.						
May	380.60	384.70	378.40	383.40	3.20	108,496	
July	384.30	388.50	382.10	387.40	3.10	207,580	
Soybean Oil (CBT)	-60,000 lbs.; cents per lb.						
May	31.53	31.73	31.40	31.63	0.10	139,694	
July	31.81	31.99	31.67	31.90	.09	191,910	
Rough Rice (CBT)	-2,000 cwt.; \$ per cwt.						
May	128.00	128.00	127.90	128.50	8.00	4,135	
July	128.00	129.00	128.50	129.50	5.00	2,803	
Wheat (CBT)	-5,000 bu.; cents per bu.						
May	483.50	484.75	474.75	481.00	-6.25	122,521	
July	500.00	501.50	492.00	498.25	-6.00	176,992	
Wheat (KCD)	-5,000 bu.; cents per bu.						
May	512.75	514.25	501.25	507.50	-9.25	67,022	
July	52.70	53.25	52.50	526.00	-9.75	103,123	
Wheat (MPLS)	-5,000 bu.; cents per bu.						
May	627.75	628.75	621.00	623.00	-6.00	24,504	
July	637.50	638.50	631.00	632.50	-6.25	23,856	
Cattle-Feeder (CME)	-50,000 lbs.; cents per lb.						
April	135.975	139.500	135.975	138.75	3.600	4,443	
May	136.500	140.050	136.375	139.975	4.425	19,459	
Cattle-Live (CME)	-40,000 lbs.; cents per lb.						
April	113.850	116.175	113.850	115.750	2.250	16,313	
June	102.275	104.475	101.850	103.700	2.125	155,765	
Hogs-Lean (CME)	-40,000 lbs.; cents per lb.						
April	53.750	54.375	53.600	54.300	1.000	12,479	
June	75.900	77.900	75.250	77.250	1.475	97,685	
Lumber (CME)	-110,000 bd. ft.; \$ per 1,000 bd.						
May	520.80	529.70	518.40	524.30	1.20	4,804	
July	507.20	515.70	503.70	510.50	-20	1,754	
Milk (CME)	-200,000 lbs.; cents per lb.						
April	14.41	14.45	14.39	14.41	.01	3,548	
May	14.63	14.75	14.57	14.63	-.04	3,811	

Interest Rate Futures

	Contract	Open	High	Low	Settle	Chg	Open interest
Cocoa (ICE-US) -10 metric tons; \$ per ton.							
May	2,535	2,564	2,525	2,542	-5	20,689	
July	2,578	2,596	2,556	2,564	-16	121,743	
Coffee (ICE-US) -37,500 lbs.; cents per lb.							
May	118.30	118.40	117.45	117.90	-.25	68,428	
July	120.35	120.40	119.45	120.00	-.25	114,131	
Sugar-World (ICE-US) -112,000 lbs.; cents per lb.							
May	12.04	12.15	11.97	12.05	-.01	221,753	
July	12.08	12					

BANKING & FINANCE



Despite the Hong Kong dollar's problems, few analysts expect the city to drop the currency's long-running peg to the U.S. dollar.

Hong Kong Dollar Plunges

By SAUMYA VAISHAMPAYAN

One of the longest-running relationships in global currency markets is under threat.

The Hong Kong dollar hit the weakest level against its U.S.

CURRENCIES counterpart that is permitted under the

rules of a peg between the two currencies first implemented in 1983. The U.S. dollar traded as high as 7.85 Hong Kong dollars shortly before 5 a.m. in Hong Kong and continued to trade near that level through Hong Kong's evening, according to Thomson Reuters data.

The Hong Kong dollar's move to the limit of its trading band triggered market intervention by the city's de facto central bank in Hong Kong's evening. The Hong Kong Monetary Authority sold US\$104 million at the rate of \$1 to 7.85 Hong Kong dollars, according to a spokesman, its first direct foreign-exchange action since 2015.

HKMA Chief Executive Norman Chan said it could have to intervene again. "The HKMA is

fully capable of maintaining the stability of the Hong Kong dollar and managing large scale capital flows," Mr. Chan said in a statement. "There is no need to be concerned."

Howard Lee, another official at the HKMA, said the central bank again sold U.S. dollars and bought Hong Kong dollars Friday morning.

Thursday's move was the latest milestone in the Hong Kong dollar's slide, which began in early 2017 and has continued—apart from a two-month rebound last fall—thanks to a widening gap between U.S. and local market interest rates.

Market participants expect the depreciation to continue, with the Federal Reserve set to keep tightening monetary policy this year while ample liquidity keeps interest rates in Hong Kong subdued.

"There should be enough momentum to test 7.85 consistently," said Kevin Lai, an economist at Daiwa Capital Markets in Hong Kong.

Despite the Hong Kong dollar's doldrums, few expect the city to drop the currency's long-running dollar link. The

Scraping Bottom

The Hong Kong dollar briefly hit the weak end of its trading band against the U.S. dollar.

How many Hong Kong dollars one U.S. dollar buys



*The Hong Kong Monetary Authority allows the U.S. dollar to trade between HK\$7.75 and HK\$7.85.

Source: Thomson Reuters

THE WALL STREET JOURNAL.

peg was originally used to buttress confidence in the local economy at a time when the U.K. had begun the negotiations that would lead to Hong Kong's return to Chinese sovereignty in 1997.

Hong Kong's authorities say that as a small, open financial

center, it needs the stability in exchange rates that the peg provides and that volatile swings could hurt trade or cross-border capital flows.

The link between the Hong Kong and U.S. dollars has been tweaked a few times since 1983, with the current trading band implemented in 2005.

Speaking in Hong Kong on Wednesday, International Monetary Fund Managing Director Christine Lagarde reiterated the fund's approval of the local dollar's tight link to the greenback.

"The pegging system that we still have in place is actually consistent with the fundamentals of the economy," she said.

Despite such official support, the link has some drawbacks. To keep the exchange rate stable, the HKMA sets local benchmark interest rates in line with those in the U.S. The fact that those benchmark rates have been at record lows has contributed to sharply rising property prices in Hong Kong.

—Chester Yung contributed to this article.

◆ Heard on the Street: Dollar peg isn't going away B12

BlackRock Attracts Nearly \$57 Billion of New Investor Cash

By SARAH KROUSE

BlackRock Inc. pulled in nearly \$57 billion in new investor cash in the first three months of the year, with its massive exchange-traded fund business attracting the bulk of that money.

The world's largest asset manager has sucked up investor cash flowing into market-mimicking funds in recent years and boasts the biggest ETF business in the world by assets.

The company's iShares ETFs attracted \$34.65 billion in net inflows in the first quarter. Earnings and revenues rose 27% and 16%, respectively, from the same year-ago period.

Shares of the company rose 1.5%.

BlackRock also showed progress in an area where it has long struggled: the performance of its actively managed stock funds that try to beat, rather than match, the market.

Its actively managed stock funds pulled in net new money for the first time since the end of 2015. Most of that \$1 billion came from retail investors.

Comeback

BlackRock's actively managed stock funds have struggled to attract new investor cash.

Active equity net flows, quarterly



Source: company filings

THE WALL STREET JOURNAL.

The turnaround comes a year after BlackRock unveiled plans to revamp its lineup of active equity funds. It put a heavier emphasis on robots to pick stocks rather than humans, cut fees on some funds and streamlined its research.

"Our performance is improving to strong," Chief Executive Laurence Fink said of the stock-picking business in an interview. "We're in a better position than we have been in a long time," in active equities, he added.

Those funds are also faring better compared with rivals. The firm said 34% of assets in its fundamental active equity products underperformed their benchmarks or peers over one year and 23% underperformed over three years.

If markets remain volatile, Mr. Fink said, "it should then allow active investors to perform better."

Actively managed strategies represent a smaller amount of assets than iShares but provide more revenue to the firm.

In the first quarter BlackRock earned \$1.09 billion, or \$6.68 a share, compared with \$859 million, or \$5.21 a share, for the same period the year before. On an adjusted basis, it earned \$6.70 a share, compared with \$5.23 per share a year ago. That beat expectations from analysts polled by Thomson Reuters of adjusted earnings of \$6.39 per share.

Revenue at BlackRock rose 16% to \$3.58 billion compared with \$3.09 billion in the same period a year ago. As of the end of the quarter, BlackRock had \$6.32 trillion under management, roughly flat from the end of 2017.

—Allison Prang contributed to this article.

FINANCE WATCH

MADOFF FRAUD

Victims to Receive Payment From Fund

Tens of thousands of victims of Bernard L. Madoff will receive a new chunk of money from the U.S. government, nearly a decade after the financier's Ponzi scheme unraveled.

The cash payments, totaling \$504 million, come from a long-delayed Justice Department victim fund composed of forfeiture settlements with alleged beneficiaries of Mr. Madoff's fraud.

The new payments bring the total paid out of the fund to \$1.2 billion, a fraction of what regulators described as a \$50 billion swindle when Mr. Madoff was arrested in 2008.

A separate court-supervised liquidation overseen by trustee Irving Picard has generated another \$11.6 billion to make up for investors' losses.

The Justice Department said Thursday that it would eventually return more than \$4 billion to Madoff victims.

—Rob Copeland

BREXIT

Goldman Chief Cites Smooth Transition

Goldman Sachs Group Inc. Chief Executive Lloyd Blankfein said the effects of the U.K.'s exit from the European Union have been less pronounced than originally expected, although that may change years from now.

"I would have thought that there would have been a worse outcome by now," Mr. Blankfein said in a live streamed interview with Politico in Brussels on Thursday.

Instead, "the U.K. economy has surprised on the upside," he said. He cited Goldman's own commitment to building a new European headquarters in London, which hasn't changed with Brexit.

He said Goldman plans to spread out its operations in continental Europe, singling out Paris and Frankfurt, although he suggested London could continue to be the dominant financial-services center in Europe.

—Patricia Kowsmann

Bitcoin Hype Is Withering on the Blockchain

By STEVEN RUSSOLILLO

While vacationing with friends in Buenos Aires last month, Alex Beene, a Tennessee government worker, said the topic of cryptocurrencies briefly came up during a dinner conversation.

The 30-year-old from Nashville told them he had bought bitcoin and litecoin last fall but recently sold most of his holdings. The discussion quickly shifted to another subject.

"Months ago, they would've been genuinely interested in how to invest in [cryptocurrencies], how it works, and where I [thought] the price was going," he said. "Now, it's something that's the brunt of jokes, like I had invested in comic books or baseball cards."

After bitcoin's frenzied rally last year, prices have lost about two-thirds of their value

from a high in December. The cryptocurrency had been trading at about \$7,000 in recent days, although a sharp jump lifted the price to \$7,730 late Thursday, according to CoinDesk.

Nonetheless, in the past few months, bitcoin has faded off the front pages of newspapers, and it no longer dominates people's social-media feeds. Global internet searches for the word "bitcoin" have fallen by over 80% from December, according to Google Trends.

Bitcoin's average daily trading volume this month is about 70% lower than on the most active days at the end of last year, according to bitcoin.org. That includes steep declines on some of the biggest U.S. platforms, including Gemini, an exchange founded by Cameron and Tyler Winklevoss, and San Francisco-based Coinbase. At one point in December, Coinbase was the

most-downloaded free app in Apple Inc.'s App Store. Now, it doesn't make the top 200.

J.C. Parets, a technical markets analyst in New York, remembers getting multiple phone calls a day about cryptocurrencies late last year. Clients, old high school friends,

I think right now we're in the boring phase,' says one cryptocurrency fan.

strangers and even his 88-year-old grandmother were intrigued.

"It wasn't even like 'should I buy crypto' but instead it was 'which one?'" he said. "Everyone was in on it."

Four months later, those calls stopped coming.

"Nobody cares anymore," Mr. Parets said.

To be sure, crypto die-hards are still passionate about digital currencies. But many first-time bitcoin buyers who came into the market in December and January are sitting on losses. Mainstream interest in the cryptocurrency market has diminished.

Regulators in the U.S., South Korea, and India are trying to curb speculative activity. Facebook Inc., Google and Twitter Inc. are banning advertising related to cryptocurrencies to stop scammers from promoting fraudulent schemes on these platforms.

"All the hype is gone," said Vijay Boyapati, a software engineer in Seattle who previously worked at Google and a food-delivery startup, and is nevertheless preparing to take a job in the cryptocurrency industry. "I think right now we're in the boring phase."

decided to issue \$12 billion in debt, the person said.

Qatar's bond issuance exceeds the \$9 billion it raised the last time it tapped foreign debt in 2016.

Qatar last year forecast a nearly \$8 billion budget deficit for 2018, though rising energy prices may have narrowed the gap. Sectors such as trade, tourism and hospitality are bearing the brunt of the transport and trade restrictions imposed by the Saudi-led bloc.

"The real economy is still suffering from the regional developments last year," said Monica Malik, chief economist at Abu Dhabi Commercial Bank.

Despite the economic pressures on Qatar, economists have highlighted the country's large financial reserves, including its \$300 billion sovereign wealth fund. The country is the world's largest exporter of liquefied natural gas, and its central bank and sovereign wealth fund injected billions of dollars into the economy to contain the fallout of the political

Mr. Boyapati, who bought his first bitcoin in 2012, has been through the market's boom-and-bust cycles. "Once the crescendo happens, it usually doesn't come back immediately," he said.

When the investor frenzy dies down, "that's when the most value is created," he added, referring to the industry's ability to innovate and implement new technological advancements that "will fuel the next boom."

Bitcoin's nearly four-month bear market has coincided with slowing growth in the number of people opening new wallets online to store their cryptocurrencies, according to Blockchain.info. That isn't a positive indicator for cryptocurrency prices, said Nicholas Colas, an analyst and co-founder of DataTrek Research, a new research firm that analyzes financial markets, including cryptocurrencies.

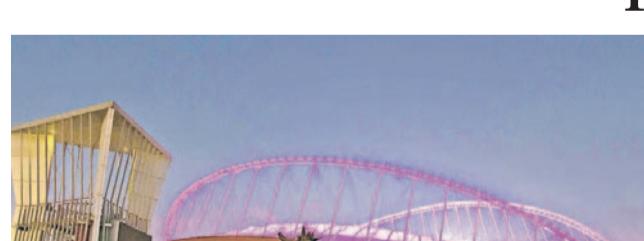
When the investor frenzy dies down, "that's when the most value is created," he added, referring to the industry's ability to innovate and implement new technological advancements that "will fuel the next boom."

Bitcoin's nearly four-month bear market has coincided with slowing growth in the number of people opening new wallets online to store their cryptocurrencies, according to Blockchain.info. That isn't a positive indicator for cryptocurrency prices, said Nicholas Colas, an analyst and co-founder of DataTrek Research, a new research firm that analyzes financial markets, including cryptocurrencies.

At the same time, Qatar is proceeding with its \$200 billion spending spree to prepare the country for the World Cup football tournament it is hosting in 2022. That infrastructure upgrade includes building at least eight new sports stadiums and further developing a metro and rail system.

U.S. officials are trying to broker an end to the impasse between Qatar and the Saudi bloc.

Qatar, rated AA by Standard & Poor's, is issuing paper with 5-, 10- and 30-year maturities. Bookrunners on the deal included Barclays, Credit Suisse and Deutsche Bank, three European banks with Qatari connections.



Khalifa International Stadium will host World Cup games in 2022.

Saudi Arabia, the United Arab Emirates, Bahrain and Egypt last year cut off diplomatic ties with Qatar, accusing the Persian Gulf monarchy of meddling in its neighbors' affairs and supporting Iran. Qatar denies the charges.

The timing of the Saudi bond sale fueled speculation from bankers that the geopolitical rift between the two countries is playing out in financial markets.

Qatari officials declined to comment on Saudi Arabia's bond sale. But in private, Qatari officials and bankers on the deal say Saudi Arabia timed its \$11 billion bond to interfere with Doha's debt plans. They say the Saudis, by selling debt before Qatar did, sought to reduce the amount of cash available to Qatar, affecting the bond's pricing and pressuring banks not to work

MARKETS

Dow Rises, Powered by Banks' Stocks

Investors shift to expected good news on earnings as the rhetoric on Syria eases

By MICHAEL WURSTHORN
AND JON SINDREU

Bank shares surged Thursday, helping major U.S. indexes rebound, as a momentary cool-down in geopolitical tensions helped investors reset their focus on the start of earnings season.

The Dow Jones Industrial Average rose nearly 300 points, recouping Wednesday's losses that were triggered by concerns of possible U.S. military intervention in Syria, as well as simmering fears around whether global synchronized growth will be disrupted by a trade war. Some of those fears eased Thursday after President Donald Trump appeared to tone down the rhetoric on Syria.

Without any significant update on how the U.S. plans to proceed with its trade tariffs, investors turned their attention toward the optimistic

profit projections analysts have set for first-quarter results. Investors got one of their first glimpses into how this earnings season could play out after asset-management giant **BlackRock** beat expectations Thursday morning.

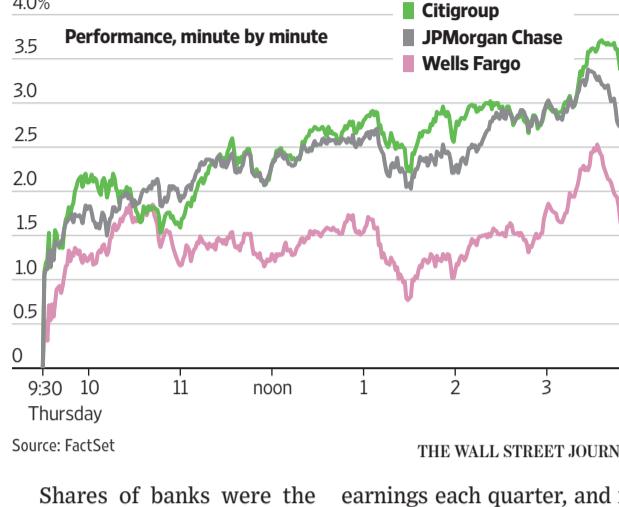
"We've gone back and forth, up and down" over the past two months, said Ed Keon, chief investment strategist and portfolio manager with QMA. "We should see a turn more consistently positive as a result of what is expected to be an exceptionally strong earnings season."

The Dow Jones Industrial Average gained 293.60 points, or 1.2%, to 24483.05, while the S&P 500 added 21.80 points, or 0.8%, to 2663.99. The Nasdaq Composite rose 71.22 points, or 1%, to 7140.25. All three indexes are up three of the past four days, pushing the Dow and the S&P 500 more than 2% higher for the week.

The Nasdaq has gained 3.3% this week, as shares of tech companies showed signs of stabilizing since Facebook revealed last month that tens of millions of users' data were compromised.

Banking on Earnings

Shares of Citigroup, JPMorgan Chase and Wells Fargo rose ahead of earnings, which are scheduled for Friday.



Source: FactSet

THE WALL STREET JOURNAL

Shares of banks were the clear market mover Thursday, though, as those financial companies in the S&P 500 rose 1.8% to lead the broad index higher.

BlackRock said revenue and earnings exceeded analysts' expectations for the first quarter. The asset manager's shares gained \$7.70, or 1.5%, to \$533.01.

Financial companies are among the first to report

earnings each quarter, and investors expect the recent surge in volatility, along with higher interest rates, to boost trading and net interest revenue among banks, asset managers and other firms. Financial stocks in the S&P 500 are expected to see a 20% bump in earnings growth from a year earlier, according to FactSet, while the broader index is projected to expand earnings by 17%.

JPMorgan Chase shares added 2.75, or 2.5%, to 113.37, while **Citigroup** rose 2.24, or 3.2%, to 72.13. Shares of **Wells Fargo** gained 77 cents, or 1.5%, to 52.70. All three banks report earnings Friday.

Financial stocks also were getting a boost from a rise in bond yields since higher interest rates typically widen the spread between what banks charge on loans and what they pay on deposits. The yield on the benchmark 10-year Treasury note rose to 2.832% from 2.790% a day earlier.

These moves are a reversal from the previous day's trends, which were more downbeat after Mr. Trump warned on Twitter of potential preparations to attack Syria. The U.S. had previously announced sanctions against more than three dozen Russian individuals and entities, which also increased concerns about geopolitical conflicts.

Money managers are now trying to weigh the importance of these concerns against a broadly positive backdrop for corporations. However, many are also growing cautious because they believe that the U.S. economy's expansion is set for a slow-

down and they fear the Federal Reserve will increase borrowing costs too much to battle inflation.

Early Friday, Japan's Nikkei 225 was up 1.1%, helped by a lower yen, which helps exporters. Hong Kong's Hang Seng Index was up 0.5%.

Treasury Auctions

The Treasury Department will auction \$106 billion in securities next week. Details (all with minimum denominations of \$100):

◆ **Monday:** \$48 billion in 13-week bills, a reopening of an issue first sold on July 20, 2017, maturing July 19, 2018. Cusip number: 912796MK2.

Also, \$42 billion in 26-week bills, dated April 19, 2018, maturing Oct. 18, 2018. Cusip number: 912796QD4.

Noncompetitive tenders for both issues must be received by 11 a.m. EDT Monday and competitive tenders, by 11:30 a.m.

◆ **Thursday:** \$16 billion in five-year Treasury inflation-protected securities, dated April 30, 2018, maturing April 15, 2023. Cusip number: 9128284HO.

Noncompetitive tenders are due by noon EDT Thursday; competitive tenders, by 1 p.m.

Treasuries Drop as Long Bond Is Sold

By DANIEL KRUGER

Prices of U.S. government bonds fell as investors' concerns about potential missile strikes against Syria took a back seat to the Treasury's \$13 billion auction of 30-year debt.

The yield on the benchmark Treasury 10-year note rose to 2.832%, the highest since March 26, from 2.790%

CREDIT MARKETS Wednesday. Yields rise as bond prices fall.

Investors bought an above-average amount at the auction of 30-year bonds after two other offerings earlier this week had attracted demand that analysts characterized as tepid. The earlier sales occurred against a backdrop of rising prices as demand was spurred by uncertainty regarding the U.S. reaction to an alleged chemical-weapons attack by Syria on its citizens. The higher prices led to a lukewarm reception for those offerings, with the category of buyers that includes mutual funds and foreign investors buying a below-average amount.

Bonds fell Thursday after President Donald Trump appeared to step back from an indication that a strike against the regime in Syria could be imminent.

AUCTION RESULTS

Here are the results of Thursday's Treasury auction. 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.

29-YEAR, 10-MONTH BONDS	
Applications	\$31,409,479,700
Accepted bids	\$13,022,289,700
"noncompetitively"	\$1,805,500
"foreign noncompetitively"	99,136422 (3.044%)
Interest rate	3.000%
Bids at clearing yield accepted	41.80%
Cusip number	912810SA7
The bonds, dated April 16, 2018, mature on Feb. 15, 2048.	

That Glut in Oil Is Now Just a Thin Cushion

A glut of stored oil that helped keep prices low for years is almost gone, thanks to production cuts by OPEC and Russia, a humming global economy and a series of small supply disruptions.

By Benoit Faucon,
Summer Said and
Anant Vijay Kala

Excess inventories of stored oil by the world's industrialized economies are at their lowest level in more than three years, based on a

COMMODITIES five-year running average, according to data released Thursday by the Organization of the Petroleum Exporting Countries. After months of steepening declines, the group said commercial inventory levels shrunk a further 17.4 million barrels in February, to about 2.85 billion barrels.

That represents a surplus of just 43 million barrels, based on the five-year average. Two years ago, the storage surplus hit 400 million barrels.

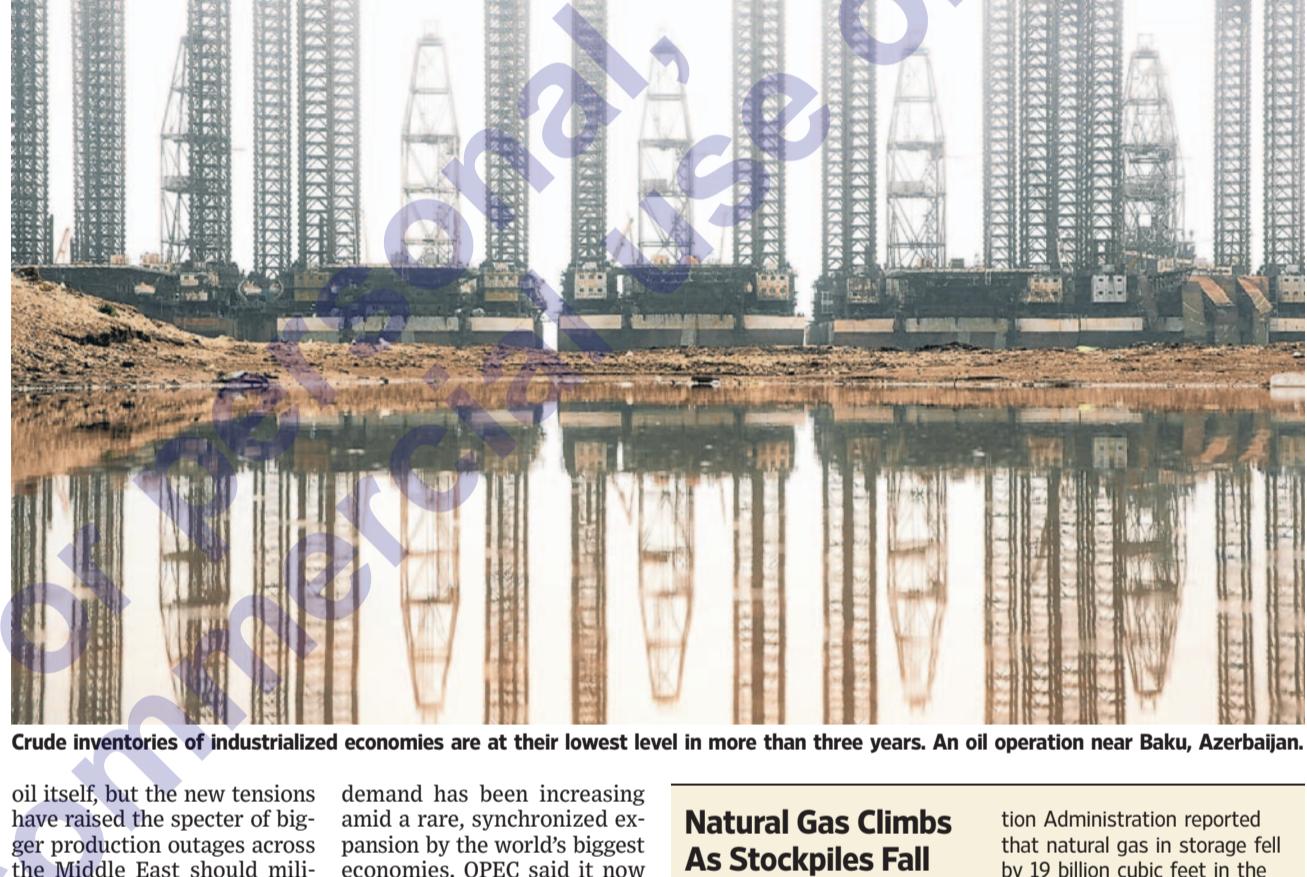
The drain on storage is partly a consequence of a concerted effort by Saudi Arabia, its OPEC colleagues and Russia to throttle back output to bolster prices.

"The rebalancing process is well under way," OPEC Secretary-General Mohammed Barkindo told an energy summit in New Delhi on Wednesday.

The quickening depletion of excess stored oil has analysts throwing around a word they haven't had to use that often in the past few years: shortages. Without much cushion in storage, the threat of supply outages can quickly drain inventories and boost prices.

Venezuelan crude output has been hobbled by political and economic instability there, and rising tensions between the U.S. and Russia over Syria also have contributed to worry over supply.

Thinning inventories aren't just due to OPEC-led cuts: Oil



Crude inventories of industrialized economies are at their lowest level in more than three years. An oil operation near Baku, Azerbaijan.

TAYLOR WEIDMAN/BLOOMBERG NEWS

oil itself, but the new tensions have raised the specter of bigger production outages across the Middle East should military action escalate.

Saudi Arabia has indicated little appetite for opening up the spigots. In its report Thursday, OPEC said its collective production fell by an average of 201,000 barrels a day. Part of the decline came from fresh, voluntary cuts by Saudi Arabia. This week, the kingdom said it would keep its overall crude-oil exports below 7 million barrels a day next month.

Saudi Oil Minister Khalid al-Falih told the New Delhi conference this week that "we will not sit by and let another glut resurface in the coming years and bring the market through the roller coaster that we have seen."

Thinning inventories aren't just due to OPEC-led cuts: Oil

demand has been increasing amid a rare, synchronized expansion by the world's biggest economies. OPEC said it now sees demand for this year rising by about 30,000 barrels a day more than it had previously forecast.

Amid that new appetite, a series of production outages are already sapping supply. Last month, OPEC says it lost about 100,000 barrels a day because of the crisis in Venezuela and disputes by rival political groups in Libya and Iraq.

All that has translated into higher oil prices. Brent, the international oil benchmark, has been hovering above \$70 a barrel, levels not seen in three years. On Thursday, Brent edged down less than 0.1% to \$72.02 a barrel on ICE Futures Europe, while U.S.-traded crude gained 0.4% to \$67.07, on the New York Mercantile Exchange, settling at its high-

Natural Gas Climbs As Stockpiles Fall

Natural-gas prices increased after government data showed a larger-than-expected decline in stockpiles.

Futures for May delivery rose 1.1 cents, or 0.4%, to \$2.686 a million British thermal units on the New York Mercantile Exchange.

The U.S. Energy Informa-

tion Administration reported that natural gas in storage fell by 19 billion cubic feet in the week ended April 6, exceeding analysts' expectations on average for a 14 bcf draw.

The data helped support prices as colder-than-average temperatures have faded and production levels have climbed. Strong export demand contributed to the overall decline in supply, analysts at Gelber & Associates said.

—Stephanie Yang

higher prices.

That new production typically boosts supply and eases prices back down again. In its report, OPEC upgraded its non-OPEC oil-supply forecast for the year, saying Canada and the U.S. will pump about 90,000 barrels a day more than expected.

STREET

Continued from page B1

Lehman Brothers failure in 2008. Yet rarely have investors shown so little regard for an earnings season than for the one starting in earnest on Friday.

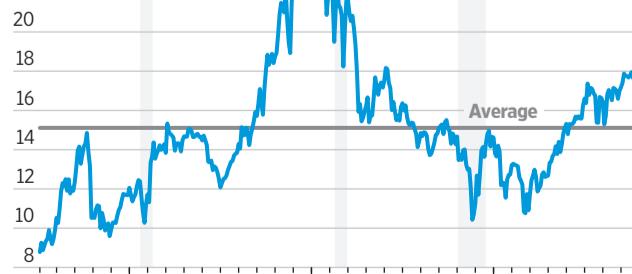
Earnings are set to be spectacular, even without the boost from the Trump tax cut. S&P 500 companies are predicted to report earnings per share up 18% in total from a year ago, according to Howard Silverblatt at S&P Dow Jones Indices.

Even better, overall sales are predicted to be up 7%, continuing a rise last year that is the fastest since 2011. Part of the growth is expected to come from the recovery in oil prices, but unlike most of the past decade, there is also a decent chunk from economic growth. We

Devalued

Rising earnings forecasts and falling shares have pushed down the S&P 500's forward price/earnings ratio to where it stood in 2014.

S&P 500's forward price/earnings ratio

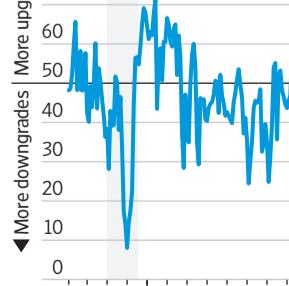


Source: Thomson Reuters Datastream

may finally have corporate results that are good not just for investors but for Main Street, too.

So why don't shareholders care?

Proportion of earnings forecasts that are upgrades



Perhaps they just dismiss the forecasts. Analysts tend to follow the market, and falling stock prices mean analysts will soon start to cut their profit predictions, as they did shortly after the market peaked in 2007 and in 2000. The fall in share prices since January has already been accompanied by a sharp drop in optimism

among analysts, with earnings upgrades now making up only 55% of new forecasts, from a high of 82%.

Those friendlier to Wall Street can point out that analysts forecast only a single most-likely outcome, not its probability. It is possible to accept the central prediction, but think it is less likely than it was because of the rising risk of something bad—government action against tech companies, a trade war or an actual war—derailing profits. That risk justifies lower share prices, even if the core case is still that everything turns out fine and earnings rise as predicted.

Of course, investors might just be undervaluing earnings. Goldman Sachs chief U.S. equity strategist David Kostin points out that much of the fall in share prices since January came during periods when companies were blocked from buybacks.

Since corporate buybacks have for years been the biggest source of demand for shares, their absence might leave the market more vulnerable to the selling that comes with bad news. A final explanation is that it is just down to timing. Stocks had a huge run-up, with the S&P rising 24% in the year to the end of January. Shareholders quickly priced in the benefits of lower corporate taxes, while analysts waited for company guidance before raising forecasts.

This earnings season might provide some insight both into whether the wage pressure is serious and how much sales can rise to offset it. In a quarter when tax cuts make earnings comparisons trickier, surprises on sales or pretax margins could wrest the attention of investors away from politics—for a few days, at least.

MARKETS

Emerging-Markets Stocks Retain Appeal

Index's 1.5% gain this year outpaces losses in developed countries; economies look strong

By AKANE OTANI
AND BEN EISEN

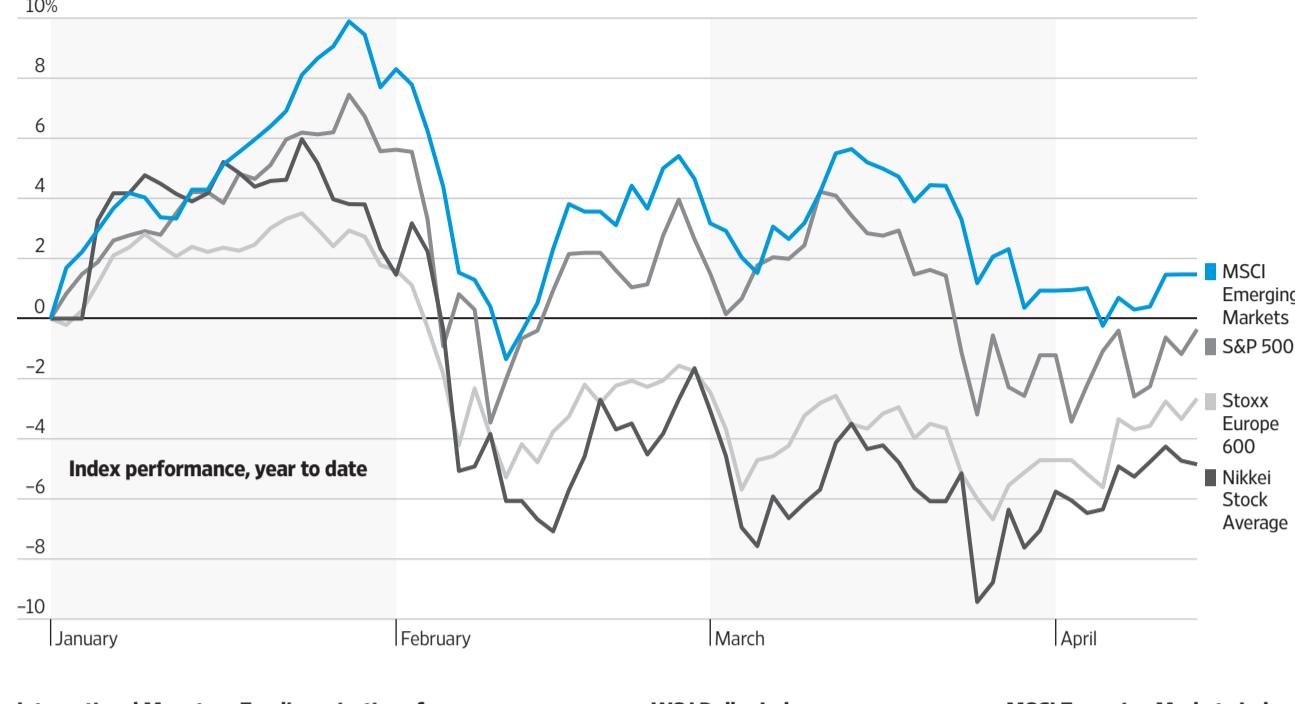
Emerging-markets stocks are outperforming their U.S. counterparts this year, the latest sign that investors' appetite for risk remains robust despite rising trade tensions.

Although the bull-market run in U.S. stocks has stalled since peaking in late January as investors piled out of high-flying names, many more volatile investments have continued to climb. The MSCI Emerging Markets Index, which tracks stock markets' performance across 24 countries, including China, Brazil and India, has risen 1.5% this year, cruising past the S&P 500's 0.4% loss and the Stoxx Europe 600's 2.7% decline.

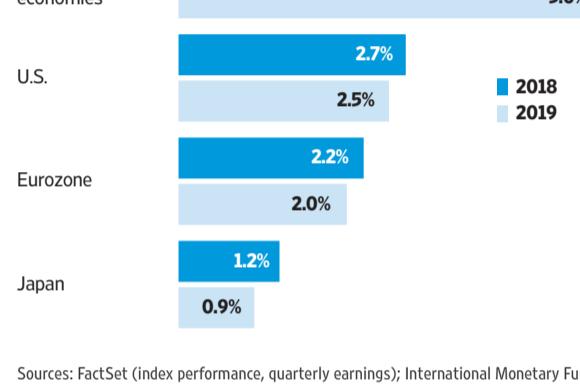
The gains extend a rally from last year, when emerging-markets stocks rose 28% while the S&P 500 finished the year up 19% and the Stoxx Europe 600 added 7.7%.

The moves come as a surprise to those who had expected shares in emerging-markets countries—which tend to be highly sensitive to the outlook for global growth and investment—to take a hit as the Trump administration ratcheted up rhetoric against trade partners around the world. In recent weeks, President Donald Trump has signed tariffs on steel and aluminum imports and threatened to impose tariffs on \$100 billion of goods imported from China, which would come on top of announced penalties on \$50 billion in goods.

Yet shares of export-dependent countries have mostly shrugged off the heightened trade tensions, something analysts say reflects the strong



International Monetary Fund's projections for annual change in economic output



Sources: FactSet (index performance, quarterly earnings); International Monetary Fund (projections); WSJ Market Data Group (dollar index)

economic outlook in many emerging markets.

Growth in emerging-markets and developing economies is expected to accelerate to 4.9% this year and 5% next year, up from 4.7% last year and 4.4% the year before, according to International Monetary Fund estimates. That comes even as growth in advanced economies is expected

to stagnate, coming in at 2.3% this year and 2.2% next year.

Analysts also expect emerging-markets companies to report solid earnings growth for the first quarter, which should help boost their attractiveness to investors. Companies in the MSCI EM Index are forecast to post earnings growth of 14.5% for the first three months of 2018 from the year-earlier pe-

riod, according to FactSet. That would mark the fourth quarter in five in which those companies have posted a double-digit percentage growth.

"I think people are surprised how well EM has held up this year," said Chuck Knudsen, T. Rowe Price's emerging-markets equities portfolio specialist. "Going into this volatility, we think

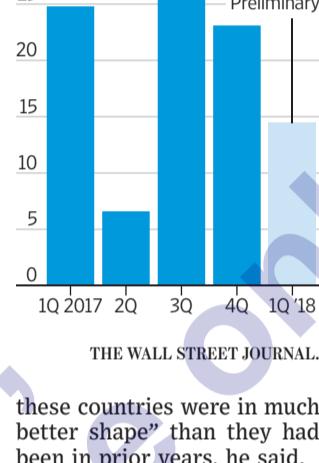
these countries were in much better shape than they had been in prior years, he said.

Emerging-markets companies typically grow faster than their developed-market counterparts and can deliver outsize returns as a result. But they are also susceptible to sharp selloffs if the flow of investors' money reverses, currencies or commodities prices

WSJ Dollar Index



MSCI Emerging Markets Index quarterly earnings, change from previous year



THE WALL STREET JOURNAL.

Email: heard@wsj.com

WSJ.com/Heard

Biotech Needs to Get Creative

Big biotech stocks are trading at their lowest valuations in years, but don't underestimate their ability to turn things around quickly.

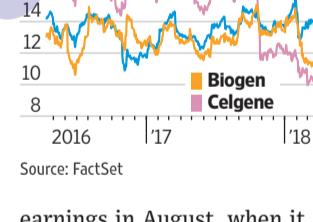
The first-quarter earnings season, which starts next week, will highlight the struggles of the big players: weak growth and few new products.

That contrasts with the industry's smaller, more speculative players. The Nasdaq Biotechnology Index, which is weighted by market value, has returned about 9% over the past 12 months. An equal-weight biotech index, which places greater emphasis on the performance of smaller stocks, has returned about 30%.

That lagging performance has led to low valuations. Gilead Sciences, Amgen,

Cheap Drugs

Forward price/earnings ratios



earnings in August, when it purchased Kite Pharma for nearly \$12 billion. While the deal won't quickly boost Gilead's profits, Gilead shares now trade at 11 times adjusted forward earnings projections.

Other recent multibillion-dollar deals, include Cel-

gene's acquisition of Juno Therapeutics and Novartis's purchase of AveXis.

Slimming down is another way to generate value for shareholders.

Biogen's decision to spin out its hemophilia division in 2016 paid off in a big way for its shareholders earlier this year, when a French pharmaceutical giant bought Biogen's Avatavir at a 63% premium.

At current valuations, other companies have solid assets that could be attractive to investors or a buyer if they choose.

For instance, Gilead could choose to separate its waning hepatitis C franchises from its HIV and oncology units.

Big biotech is out of favor, but hardly out of options.

—Charley Grant

Zuckerberg's Time in D.C. Well Spent

Unsocial

Facebook's share price



and his investors. He seemed to succeed at the latter; Facebook's stock price rose more than 5% over the two days he was in Washington.

As for the former, while there is no shortage of pique directed at the social network, Congress seems hardly of one mind about what ac-

tions—if any—to take. The questions ranged widely, but most lawmakers seemed more interested in grandstanding than eliciting constructive answers from one of the world's youngest multibillionaires. This allowed Mr. Zuckerberg to largely stick to his talking points,

and made the possibility of onerous regulations that could upend Facebook's ad-driven business model seem somewhat less likely.

But investors shouldn't be too sanguine. New privacy regulations take effect in Europe next month, and efforts to reform privacy laws are also under way in the U.S. These could affect the social network's usage and, thus, the growth of its advertising business. The scandal also has made clear Facebook's need to keep tighter control over activity on its platform, which will raise its costs and thus crimp its legendary bottom line.

As for Mr. Zuckerberg, he needs to lead the company through those coming changes with a more deft hand than he has shown to date.

And that will make his two days in Washington look easy by comparison.

—Dan Gallagher

Hong Kong's Dollar Peg Isn't Going Away

Hong Kong's currency peg with the U.S. dollar has many problems. It is still the city's least worst option.

The Hong Kong dollar on Thursday briefly touched the bottom of its permitted trading band against the U.S. dollar for the first time since the peg took its current form in 2005. The city's de facto central bank later stepped in to drain some of the money sloshing around in the banking system—money that has fueled gains in the city's stock and property markets—by selling \$104 million from its reserves.

The Hong Kong Monetary Authority stands ready to step in when the Hong Kong dollar falls to 7.85 to the U.S. dollar—as it did Thursday—or rises to 7.75.

It isn't the first time Hong Kong's 35-year-old dollar peg has come under strain.

Linking to the U.S. dollar effectively hands over monetary policy making to the Federal Reserve. Since the financial crisis, that has meant rock-bottom interest rates, robbing Hong Kong of a tool to tame a property market that grows ever more unaffordable.

But scrapping the peg

would have major drawbacks for a small, open economy like Hong Kong. The city doesn't manufacture much these days, but it has thrived as a financial and trading center, especially as a conduit between China and the outside world. The volatility of a freely floating Hong Kong dollar would add to the cost of doing business for local and international firms.

A peg to the Chinese yuan seems like a reasonable alternative. After all, Hong Kong's economic fortunes are influenced far more by China now than by the U.S. China accounts for half of Hong Kong's trade, and Chinese companies and investors are a mainstay of the city's markets.

The trouble is the yuan isn't freely convertible, given mainland China's continuing capital controls, so any peg would be hard to maintain technically. Explicitly linking to China's currency would also risk some local political blowback.

The Hong Kong-U.S. dollar peg may become a thing of the past if China's economy ever opens up sufficiently. For now, it is here to stay.

—Jacky Wong

OVERHEARD

When it comes to company securities filings, investors want clarity. When companies discuss taxes, investors should hope for the opposite.

When investors want to dig into a company's tax position, they know where to go: the tax footnote that appears in its annual report.

But the Internal Revenue Service knows that is the place to go, too. That creates a dilemma for companies try-

ing to avoid taxes.

For companies that engage heavily in tax-avoidance efforts, obfuscation is the way to go, according to a new paper from a group of accounting professors in the Journal of the American Taxation Association.

The research finds that among these companies, the more opaque the tax footnote language, the higher their stock-market valuation tends to be.

Inside
Lena Horne's
onetime apartment
M4



MANSION

'One doesn't discover new lands without consenting to lose sight, for a very long time, of the shore.'

—André Gide, *'The Counterfeiters'*

HOMES | MARKETS | PEOPLE | UPKEEP | VALUES | NEIGHBORHOODS | REDOS | SALES | FIXTURES | BROKERS

© 2018 Dow Jones & Company. All Rights Reserved.

THE WALL STREET JOURNAL.

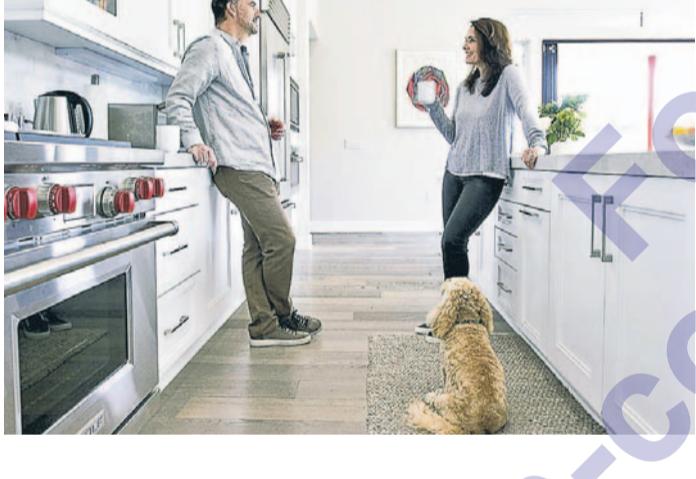
Friday, April 13, 2018 | M1

From Howard Hughes to High Tech

Once the site of the billionaire's aviation firm, the Los Angeles district of Playa Vista is attracting Silicon Valley's biggest names and buyers seeking an urban lifestyle.



DOUBLE UP Randy Schwab and Laurie Dworsky, below left, were planning on selling their Playa Vista condo until they learned how much it could generate in rent. So they said they rented it to NBA player Jamal Crawford for a hefty \$9,000 a month and moved into this unit, which they purchased for \$1.95 million in 2016. The kitchen, above; a view of the home from the patio, below right.



BY KATY MC LAUGHLIN

PLAYA VISTA, A NEWLY BUILT neighborhood on the west side of Los Angeles, lacks much of what locals consider luxury. There are no estates, sweeping views or movie-star enclaves. Yet houses are selling for over \$4 million, and rents are eye-watering.

That is because Playa Vista is in the final stages of its reinvention, providing office space for the biggest names in tech as well as dense, urban-style living for residents. In the fall, Alphabet Inc.'s Google unit will begin moving employees into a 319,000-square-foot office space, adjacent to 12 acres of land the company purchased in 2014. Yahoo, Microsoft, IMAX, Electronic Arts

Please turn to page M8



MICHAL CZERWONKA FOR THE WALL STREET JOURNAL (3)

HOUSE CALL | JOSEPH FIENNES

INSIDE

I TINKERED WITH MY PERSONALITY

The English actor says 14 moves in his childhood taught him to adapt to his audience.

Joseph Fiennes, 47, is an English film and television actor who stars in "The Handmaid's Tale," a streaming Hulu series that won eight Primetime Emmy Awards last year. The second season begins April 25. He spoke with Marc Myers.

My father was a colossal man. At 6-foot-3, he was a Moses figure with huge hands that could build a house and then give you a hug. To his seven children, he was the great protector—physically looming but always caring.

I was born in Salisbury, England, but during my childhood we moved 14 times. My father, Mark, made a living buying rundown houses, fixing them up and selling them at a small profit. This wasn't flipping houses. He had to work fast and smart to keep us fed. The financial pressure kept us on the move looking for the next house.

Playing in so many different playgrounds helped shape me as an actor. When my personality didn't connect

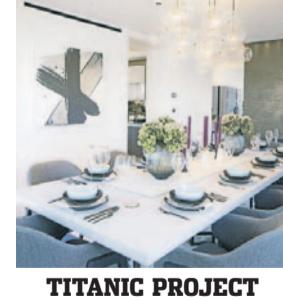
Please turn to page M7



IN MOTION Joseph Fiennes in Toronto in March. His family followed his father, who searched far and wide for homes to fix up and sell.



\$21 MILLION
Madoff's former beach house hits market M2



TITANIC PROJECT
Ocean liner's offices turned into homes M6



LENS OF HISTORY
At home in New York in the 1800s M14

MARIAM LOZOVICHUK FOR THE WALL STREET JOURNAL

MANSION



TWO FORT LAUDERDALE HOMES ON THE MARKET FOR \$60 MILLION

Two Fort Lauderdale, Fla., homes are set to hit the market for about \$60 million.

The properties, located on the New River, are owned by Tom and Katia Bates. Mr. Bates is a homebuilder and a Florida native, while Mrs. Bates is an interior designer from Venice, Italy. Together, they run Innovative Creations, an interior-design business.

The first property, on Isle of Capri Drive, is the Bates family home. The couple bought the property for \$950,000 shortly after becoming engaged in the early 1990s and razed an existing house to make way for a one-story, Mediterranean-style home. Over the years, they renovated twice, most recently building a guesthouse on an adjacent lot.

Together, the main house and a guesthouse comprise



about 12,800 square feet. The main house has five bedrooms and 10½ bathrooms and has views of the river. There are ceiling murals inspired by Italian palaces and a collection of antique Venetian Rezzonico-style chandeliers. The floors are Jerusalem stone, travertine marble and onyx.

The property features about 435 feet of deep-water dockage, which would allow a large yacht to dock out front, Mr. Bates said. Outside, there is a large gazebo imported from Italy as well as a pool. The couple bought the

nearby second home, on Bontona Avenue, two years ago. It was owned by Bonnie Huizenga, the sister of Wayne Huizenga, late-owner of the Miami Dolphins, public records show. A stone sculpture of a dolphin remains at the property.

The Bateses recently completed a massive renovation on the house. The finished project measures 11,800 square feet with six bedrooms, a beauty-treatment room, a gym and an enormous master suite spanning almost 3,000 square feet. With 700 feet of deep-water dockage, there is enough space to dock a superyacht.

The Isle of Capri home is asking \$27.5 million, while the Bontona Avenue home is asking \$32 million.

Christopher Wands, Pietro Belmonte and Chad Carroll of Douglas Elliman have the listings.

GUITARIST SEEKS \$40 MILLION FOR HOME WITH RUSTIC TOUCHES

An oceanfront property in Pebble Beach, Calif., on the scenic 17-Mile Drive is hitting the market for \$40 million.

The seller is Ron Wright, a guitarist, composer and real-estate investor, who with his wife, Madeleine, bought the property in the late 1990s. The Wrights gut renovated an existing property and rebuilt it with a lot of "blood, sweat and tears," Mr. Wright said. They completed the current house in 2004.

The roughly 7,500-square-foot property, which is inspired by French and English Tudor-style mansions, has rustic beamed ceilings, custom stonework, walnut and



Jerusalem stone floors and original fireplaces with mantels salvaged from castles in France and England. The four-bedroom house sits on about 2.59 acres, with gardens and ocean

views. It is completely fenced in with a gated entrance. There's also a three-car garage and a swimming pool on the site.

Mr. Wright, 59, previously tried to sell the property off-

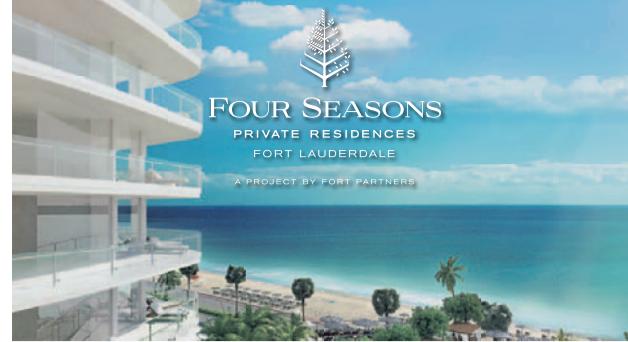
market for an undisclosed price, but this is the first time it has been formally listed for sale. He said the home is not exactly his style and he wants to move on to something different. His wife died in 2015.

Mr. Wright is part of a band called Chile Colorado and plays smooth jazz.

Though this was his primary residence, he owns several other investment homes in the area, he said.

Kim DiBenedetto of Coldwell Banker Global Luxury has the listing.

▶ See more photos of notable homes at WSJ.com/Mansion. Email: privateproperties@wsj.com



A NEW OCEANFRONT DESTINATION FOR FIVE-STAR LIVING

On the Rise in Fort Lauderdale Beach

This oceanfront property, perfectly positioned overlooking the Atlantic Ocean and yacht-lined Intracoastal Waterway, features 90 residences from 1-4 bedrooms, including furnished and fully-appointed as well as unfurnished options available. The striking interiors and exteriors are designed by an international team of visionaries including Tara Bernerd, Kobi Karp, Martin Brudnizki, Fernando Wong, and developed by Nadim Ashi. Enjoy living at its best with an array of Four Seasons services and amenities in the comfort of your home.

Occupancy 2020 | 40% SOLD
Preconstruction pricing until April 30th, 2018
+1 (954) 324.2487 | FORT525RESIDENCES.COM

BROKER PARTICIPATION WELCOME.
ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE
REPRESENTATIONS OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS, REFERENCE SHOULD BE MADE TO THE DOCUMENTS REQUIRED BY SECTION 718.503 FLORIDA STATUTES, TO BE FURNISHED BY THE
DEVELOPER TO BUYER OR LESSEE.

PLANS, FEATURES AND AMENITIES SUBJECT TO CHANGE WITHOUT NOTICE. ALL ILLUSTRATIONS AND PLANS ARE ARTIST CONCEPTUAL RENDERINGS AND ARE SUBJECT TO CHANGE WITHOUT NOTICE. THESE MATERIALS ARE NOT INTENDED TO BE AN OFFER TO SELL OR SOLICITATION TO BUY A UNIT IN THE CONDOMINIUM. SUCH OFFER OR SOLICITATION WILL BE MADE ONLY IN THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINIUM AND NO STATEMENTS SHOULD BE RELIED UPON UNLESS MADE IN THE PROSPECTUS OR IN THE APPLICABLE PURCHASE AGREEMENT. IN EVENT SHALL ANY SOLICITATION, OFFER OR SALE OF A UNIT IN THE CONDOMINIUM BE MADE IN, OR TO RESIDENTS OF, ANY STATE OR COUNTRY WHICH HAS NOT APPROVED THE OFFICIAL OFFERING CIRCULAR. THE OFFICIAL OFFERING CIRCULAR FOR THE CONDOMINI

MANSION

LIVING HISTORY

For \$825,000, You Can Toot Your Horne

An apartment owned by singer Lena Horne is listed; 'her bedroom was always red,' her daughter recalls



BY KATHERINE CLARKE

WHEN SONGSTRESS Lena Horne arrived in Manhattan in the early 1980s from Hollywood to perform her one-woman Broadway show, "The Lady and Her Music," she decided she was going to return to her hometown for good. She began to look for a place to buy.

Her friend, the model and socialite Jane Holzer, better known as "Baby Jane" for her role as Andy Warhol's muse, proposed Ms. Horne move into her building, a co-op in the Lenox Hill neighborhood on the Upper East Side called the Volney. The former hotel, with its limestone facade and canopied entrance, was built in the 1920s and had been home to notable artists and writers, including Dorothy Parker.

Ms. Horne had faced challenges finding a home in the past, when many Manhattan co-ops weren't welcoming to African-Americans. In an interview, singer Harry Belafonte said he had previously rented a penthouse apartment

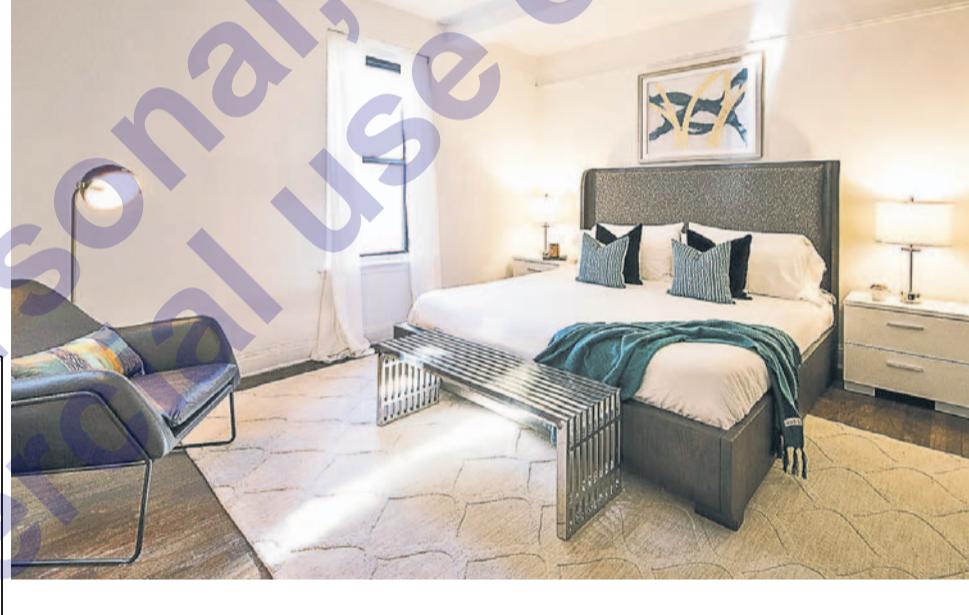


FAMILY COMPLEX The late Lena Horne, top left, had bought five units in the Volney on Manhattan's Upper East Side. The former unit, above, was used as an office; the unit's bedroom, right.

to Ms. Horne in the 1960s in a building he bought at 300 West End Avenue. He had purchased the entire building and turned it into co-ops because the previous landlord wouldn't allow African-Americans to live there, he said.

Ms. Horne ultimately

bought a fifth-floor apartment at the Volney—and eventually four others. She combined the first unit with an adjacent one to create one apartment with a large living room, dining room and two bedrooms, according to Ms. Horne's daughter, Gail Lumet



Buckley. Ms. Horne later bought another unit to use as an exercise room, and then one as a guest suite and extra wardrobe space for her many evening gowns. A fifth unit became a private office, where her secretary worked.

Ms. Horne died in 2010, and two of her fifth-floor apartments were sold for a combined \$1.1 million in 2014. Now, Ms. Buckley is selling the last of her mother's add-on apartments—the one used as an office—for \$825,000, according to her real-estate agent, Tamer Howard of Douglas Elliman, who is listing the property in association with Kevin Dees of the Agency in Los Angeles. The for-sale unit has one bedroom and one bathroom.

Ms. Buckley, an 80-year-old nonfiction author, is keeping the main apartment, where she lives with her husband, journalist Kevin Buckley.

Although Ms. Buckley never lived in the main apartment with her mother, she recalled Ms. Horne's distinct tastes and lifestyle. "Her bedroom was always red. She loved red," Ms. Buckley said, noting her mother's rouge-flecked wallpaper. "She slept late. She would go to bed about 3 a.m. when she was working and then wake up at 3 p.m. in the afternoon and have a big steak or something."

Ms. Horne's furniture was often imported from Europe and included statement pieces, such as a small Louis Vuitton trunk with SS France ocean-liner stickers inscribed with her married name, Lena Horne Hayton. Ms. Buckley said her mother and her second husband, the composer Lennie Hayton, had married in Europe in 1947 because, at the time, interracial marriages were still illegal in California. They kept their marriage a secret for several years and always traveled aboard French

ships to Europe because they didn't discriminate.

Ms. Horne's two children, Ms. Buckley and her brother, Teddy Jones, who died in 1970, were from her first marriage to Louis Jordan Jones of Pittsburgh.

"That marriage lasted three years because my father had a high-stakes bridge habit and a girlfriend he never got rid of," Ms. Buckley said.

The trunk, and many other personal items of Ms. Horne, were sold at the auction, with the trunk fetching more than \$8,000. Ms. Buckley held onto some items, which are on display in her apartment, such as a bust of her mother by Peter Lambda.

Ms. Horne, born in 1917, spent her early years in a townhouse in Bedford-Stuyvesant, Brooklyn. "There were two townhouses on the street when she was born," Ms. Buckley said.

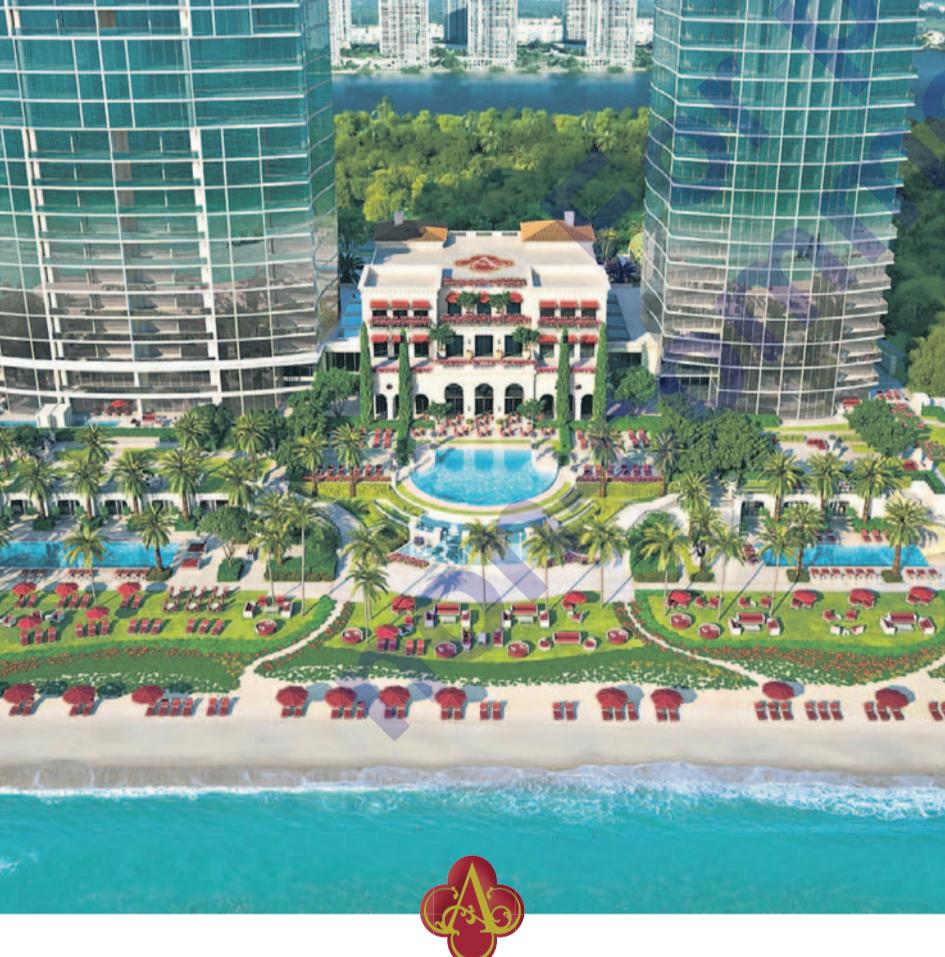
Ms. Horne relocated to California in the 1940s to headline a new nightclub on Hollywood's Sunset Strip, and was quickly scouted by producers at the movie studio Metro-Goldwyn-Mayer. She appeared in movies and musicals, such as "Cabin in the Sky" in 1943. She wasn't typically cast in leading roles and rarely interacted with other actors on screen so that her appearances could be cut out for audiences in the segregated South.

Ms. Horne was relieved to return to New York and loved her home at the Volney, a short stroll to her favorite Fifth Avenue stores, her daughter said.

"She would walk down to Bergdorf's," she added. "People sometimes would recognize her and just smile, and she loved that. She loved that it was New York and people didn't make a fuss."



PAIRED Lena Horne, with daughter, Gail, in New York in 1960.



THE ESTATES AT ACQUALINA™ The World's Finest Residences® At The World's Finest Resort

MIAMI

NOW UNDER CONSTRUCTION | DELIVERY 2020
LOBBY DESIGNS BY KARL LAGERFELD

3 TO 7-BEDROOM RESIDENCES FROM \$4.2 TO OVER \$10 MILLION

PENTHOUSES & SINGLE-FAMILY HOMES FROM \$12.5 TO \$35 MILLION

TO SCHEDULE A PRIVATE SHOWING CONTACT US AT

+1 855 276 3007 OR SALES@ESTATESATACQUALINA.COM

www.estatesatacqualina.com

RESORT RESERVATIONS: +1 844 510 6587

17895 COLLINS AVENUE | SUNNY ISLES BEACH, FLORIDA 33160



ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING REPRESENTATIONS OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS, MAKE REFERENCE TO THE DOCUMENTS REQUIRED BY SECTION 710.503, FLORIDA STATUTES, TO BE FURNISHED BY A DEVELOPER TO A BUYER OR LESSEE. All artist's or architectural renderings, sketches, graphic materials and photos depicted or otherwise described herein are proposed and conceptual only, and are based upon preliminary development plans, which are subject to change. This is not an offering in any state in which registration is required but in which registration requirements have not yet been met. THIS IS NOT AN OFFER FOR CONTRACT OR SALE IN THE STATES OF NY, NJ OR MASS.

Sotheby's INTERNATIONAL REALTY



Your best life begins with a home that inspires you.



BLUE ISLAND, BAHAMAS
700 acre private island in the Exuma Cays. Over three miles of beaches, a new 5,700 ft. jet runway, and elevations to 100 ft. above sea level. Ideal for personal retreat or a luxury development. WEB: 7P2WRW. Price upon request. Steve.Donovan@SIR.com

Damianos Sotheby's International Realty
+1 928.202.7765 | SIRbahamas.com



PARADISE ISLAND, BAHAMAS
Ocean Club Residences and Marina. Attractively priced 3 bedroom, 3.5 bathroom unit with 900 sq. ft. harbor view terrace. Enjoy private marina, on-site concierge, underground parking, an 18-hole golf course, tennis and access to the Atlantis Resort & Casino. **\$2,250,000 US.** Nick.Damianos@SIR.com

Damianos Sotheby's International Realty
+1 242.376.1841 | SIRbahamas.com



BELVEDERE, CALIFORNIA
Captivating views, water vistas and western exposure define this rare opportunity to build a dream home on Belvedere Island overlooking San Francisco, the Golden Gate Bridge and picturesque Sausalito. **\$7,495,000.** Lydia Sarkissian, Magda Sarkissian and Bill Bullock.

Golden Gate Sotheby's International Realty
+1 415.517.7720 | globalestates.com



CENTURY CITY, CALIFORNIA
Elegant, custom designed penthouse in guard-gated Le Parc Condos. Stunning pied-a-terre in the heart of the city. 10 acre oasis with lush grounds. Steps from Beverly Hills, new Century Plaza hotel and mall. CalBRE #00962605. **\$2,295,000.** Lori Hashman Beris.

Sotheby's International Realty
Beverly Hills Brokerage
+1 310.880.3061 | sothebyshomes.com



CORONADO, CALIFORNIA
One block to the beach. Indoor and outdoor living spaces with an elevator to all 3 levels. Sweeping views of the ocean to downtown from the roof deck. Contemporary with all the elements of a luxury coastal residence. 6 bedrooms, 4.5 bathrooms. **\$6,500,000.** Scott Aurich.

Pacific Sotheby's International Realty
+1 619.987.9797 | PacificSothebysRealty.com



GLEN ELLEN, CALIFORNIA
Modern country estate with architecture that brings the outdoors in. This is a 10± acre getaway perfect for wine country escapers who relish outdoor life. 4 bedroom, 4.5 bathroom main house and guest house. CalBRE #01357054. **\$5,500,000.** Donald Van de Mark.

Sotheby's International Realty
Wine Country Brokerage
+1 707.337.2227 | sothebyshomes.com



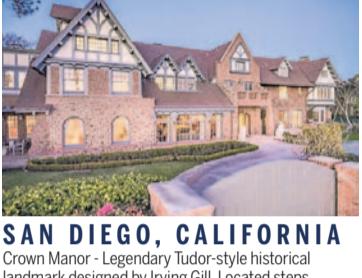
LA JOLLA, CALIFORNIA
Build your dream home in the highly sought-after neighborhood of La Jolla Farms. Live on 1.3 acres of flat, usable land, sited on a private cul-de-sac just a short stroll to the private entrance to Black's Beach. **\$5,700,000** **\$4,495,000.** Brett Dickinson and Jeff Elden.

Pacific Sotheby's International Realty
+1 858.204.6226 | PacificSothebysRealty.com



PORTOLA VALLEY, CALIFORNIA
The best of California indoor-outdoor living in this quintessential Portola Valley 5 bedroom retreat. Lush grounds surround this sprawling home with a family-centric floor plan. A peaceful oasis in the heart of Silicon Valley. **\$6,595,000.** Michael Dreyfus.

Golden Gate Sotheby's International Realty
+1 650.485.3476 | 1305Westridge.com



SAN DIEGO, CALIFORNIA
Crown Manor - Legendary Tudor-style historical landmark designed by Irving Gill. Located steps from the iconic Hotel del Coronado on the island's largest oceanfront lot, this palatial residence is ready for its next chapter. **\$25,000,000.** Eric Iantorno and Clinton Selfridge.

Pacific Sotheby's International Realty
+1 858.256.7005 | PacificSothebysRealty.com



SAN DIEGO, CALIFORNIA
Located just steps away from the sand in Del Mar, this stunning, fully renovated, Cape-Cod style beach home offers fine finishes, privacy and ocean views throughout. Luxurious coastal living awaits. **\$7,895,000.** Eric Iantorno and Clinton Selfridge.

Pacific Sotheby's International Realty
+1 858.256.7005 | PacificSothebysRealty.com



SAN DIEGO, CALIFORNIA
Impeccably-maintained, custom-built, single level estate with fabulous indoor and outdoor living spaces. Resort-style living on 3.68 tranquil acres located near the Rancho Santa Fe Golf Course with direct Covenant trail access. **\$4,995,000.** Eric Iantorno and Clinton Selfridge.

Pacific Sotheby's International Realty
+1 858.256.7005 | PacificSothebysRealty.com



SAN DIEGO, CALIFORNIA
Exceptional 40+ acre private estate with flawless interior and exterior design, stunning craftsmanship. Elegance, adventure and privacy await in your private compound with equestrian amenities, pool, spa, theatre and more. **\$3,995,000** **\$4,995,000.** Brett Dickinson and Eric Iantorno.

Pacific Sotheby's International Realty
+1 858.204.6226 | PacificSothebysRealty.com



SONOMA, CALIFORNIA
Nearly new and inspired by the best contemporary architecture, this modern farmhouse offers light-filled interiors, seamless indoor-outdoor living. Guest house, pool, spa, wine cellar, garden. CalBRE #01357054. **\$7,675,000.** Donald Van de Mark.

Sotheby's International Realty
Wine Country Brokerage
+1 707.337.2227 | sothebyshomes.com



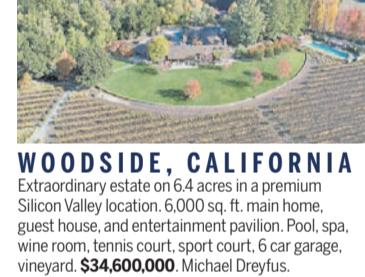
SONOMA, CALIFORNIA
Antique roof tiles from Dubrovnik top this modern Mediterranean nestled against Carriger Creek. Clean, cream interiors open wide to a pool with spa. Nearly new and high tech. A guest house completes the property. CalBRE #01357054. **\$4,850,000.** Donald Van de Mark.

Sotheby's International Realty
Wine Country Brokerage
+1 707.337.2227 | sothebyshomes.com



TIBURON, CALIFORNIA
This newly constructed, private, contemporary estate in Tiburon is a world away from it all with views overlooking San Francisco Bay from Mount Tam to the Richmond-San Rafael Bridge. 5 bedrooms, 6.5 bathrooms. **\$8,500,000.** Lydia Sarkissian, Magda Sarkissian and Bill Bullock.

Golden Gate Sotheby's International Realty
+1 415.517.7720 | globalestates.com



WOODSIDE, CALIFORNIA
Extraordinary estate on 6.4 acres in a premium Silicon Valley location. 6,000 sq. ft. main home, guest house, and entertainment pavilion. Pool, spa, wine room, tennis court, sport court, 6 car garage, vineyard. **\$34,600,000.** Michael Dreyfus.

Golden Gate Sotheby's International Realty
+1 650.485.3476 | WoodsideVineyardEstate.com



CHICAGO, ILLINOIS
Prestigious American Institute of Architects (AIA) award winning Lakeview home! Paragon of modern design features a 4 bedroom, 3.5 bathroom floor plan, fireplace, custom kitchen, master suite, spa bath, and lower level with living room. Many LEED features and turf outdoor space. **\$1,050,000.** Mark Dillard.

Jameson Sotheby's International Realty
+1 773.677.2529 | jamesonsir.com



EVANSTON, ILLINOIS
Amazing opportunity to live steps from Lake Michigan! Gorgeous; sun drenched, renovated 5 bedroom home with wrap around porch. Beach, tennis courts, boating at the end of the block. Dining and shopping is a short stroll away. Close to Northwestern University and Chicago. **\$1,899,000.** Jackie Mack.

Jameson Sotheby's International Realty
+1 847.733.1856 | jamesonsir.com



BETHESDA, MARYLAND
This breathtaking custom built stone and stucco French Country residence will wow the most discerning buyers and is representative of the finest architecture and design to be found in the DC Metropolitan area. **\$5,600,000.** Marc Fleisher. marc@thefleishergroup.com

TTR Sotheby's International Realty
+1 202.438.4880 | ttrsir.com



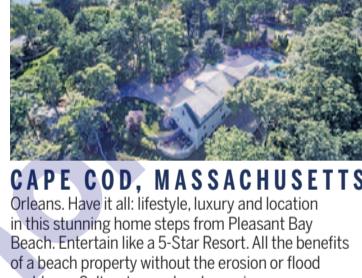
BETHESDA, MARYLAND
Gorgeous, expanded stone and brick castle built in 1883, renovated by renowned DC builder in 1980s. 4 levels, 7 bedrooms, 5 bathrooms, 2 half bathrooms, 2-level guest house, 2-car garage, elevator, rooftop terrace, Potomac River winter views, .46-acre. **\$2,200,000.** Corey Burr.

TTR Sotheby's International Realty
+1 301.346.3345 | ttrsir.com



BOSTON, MASSACHUSETTS
Elegant 2 bedroom, 2.5 bathroom duplex across from the Public Garden. Beautifully crafted with high ceilings, crown moldings and oak floors. Features include a chef's kitchen, den, and master suite with marble bath, 2 parking spaces. **\$3,450,000.** Michael L. Carrucci.

Gibson Sotheby's International Realty
+1 617.901.7600 | GibsonSothebysRealty.com



CAPE COD, MASSACHUSETTS
Orleans. Have it all: lifestyle, luxury and location in this stunning home steps from Pleasant Bay Beach. Entertain like a 5-Star Resort. All the benefits of a beach property without the erosion or flood problems. Salt water pool and mooring. **\$2,495,000.** Dolores Alberti.

oldCape Sotheby's International Realty
+1 508.237.2771 | oldcape.com



NEWTON, MASSACHUSETTS
A sophisticated 6 bedroom, 6 bathroom contemporary Colonial located on 1.5 private acres in Chestnut Hill. With 8,000 sq. ft. of living space, this light and airy floor plan brings lots of natural light into the home. **\$3,495,000.** Michael L. Carrucci.

Gibson Sotheby's International Realty
+1 617.901.7600 | GibsonSothebysRealty.com



BRONXVILLE, NEW YORK
Rich in history, this home is one of Bronxville's most spectacular properties. Sited on a hilltop with commanding views of the Manhattan skyline and village below, this estate is in a class of its own. **\$6,900,000.** Kathleen Collins and Andrea Strome.

Julia B. Fee Sotheby's International Realty
+1 914.620.8682 | juliafee.com



NEW YORK, NEW YORK
Amazing park views, in gorgeous condition. This meticulously renovated 4 bedroom cooperative has it all: views, condition, layout, space, location and building quality. **\$16,500,000.** Cathy Taub. cathy.taub@sothebyshomes.com

Sotheby's International Realty
East Side Manhattan Brokerage
+1 212.606.7772 | sothebyshomes.com/00112152



NEW YORK, NEW YORK
Most luxurious lifestyle high above Manhattan in the golden tower of The Carlyle. Extraordinary residence with living room with 14 ft. ceiling, panoramic views, dining room, 2-3 bedrooms, 3 bathrooms. **\$6,100,000.** louise.beit@sothebyshomes.com

Sotheby's International Realty
East Side Manhattan Brokerage
+1 917.544.5515 | sothebyshomes.com/00111762



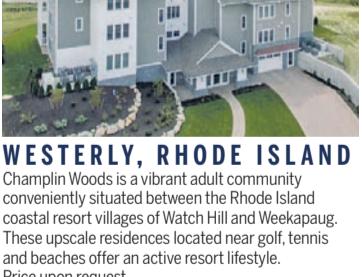
NEW YORK, NEW YORK
Encompassing 2,168 sq. ft., this 3 bedroom, 2.5 bath duplex residence features soaring ceilings, wrought-iron columns and the highest quality fixtures and finishes throughout. **\$4,495,000.** Jeremy V. Stein.

Sotheby's International Realty
Downtown Manhattan Brokerage
+1 212.431.2427 | sothebyshomes.com/01310256



SOUTH KINGSTOWN, RHODE ISLAND
Stunning reproduction of Andy Warhol's Montauk Estate "Eothin" on nearly 15 bucolic acres abutting conservancy land. This exceptional property is ideal for the horse or farm enthusiast who wants to be near the beach. **\$2,850,000.**

Mott & Chace Sotheby's International Realty
+1 401.789.8899 | mottandchace.com



WESTERLY, RHODE ISLAND
Champlin Woods is a vibrant adult community conveniently situated between the Rhode Island coastal resort villages of Watch Hill and Weekapaug. These upscale residences located near golf, tennis and beaches offer an active resort lifestyle. Price upon request.

Mott & Chace Sotheby's International Realty
+1 401.315.0808 | mottandchace.com



SULLIVAN'S ISLAND, SOUTH CAROLINA
This Beau Clowney designed, Daly Sawyer masterpiece is unlike any other home on the prestigious Sullivan's Island beachfront. A once in a generation opportunity. 6 bedrooms, 5 full, 2 half bathrooms, 5,070 sq. ft. **\$8,250,000.** Ruthie Ravenel. Ruthie@DanielRavenelSIR.com

Daniel Ravenel Sotheby's International Realty
+1 843.696.8858 | danielravenelsir.com



AUSTIN, TEXAS
Stunning contemporary on 1.63 flat acres in Westlake and Eanes ISD. Remarkable views of the city skyline and within 10 minutes of downtown. Originally designed by James LaRue and built by Greg Hurd. **\$6,995,000.** Kumara Wilcoxon. kumara@sothebysrealty.com

Kuper Sotheby's International Realty
+1 512.423.5035 | 102skyline.com



AUSTIN, TEXAS
Exquisite contemporary designed to

MANSION



LIVING HISTORY

Luxury Homes With Titanic Ties

London's White Star Line offices are now seven residences priced up to \$27.5 million

BY RUTH BLOOMFIELD

ON APRIL 10, 1912, the "unsinkable" RMS Titanic set sail from Southampton to New York. To book their passage, many of its wealthy seagoing passengers ascended the stone steps of Oceanic House, headquarters of the White Star Line in London.

The Titanic calamity spelled a long, slow death for the White Star Line, and Oceanic House, lavishly built in 1907, fell into decline. But now, after a circa \$35 million restoration, the 33,000-square-foot building has been converted into seven luxury residences priced up to about \$27.5 million.

When London-based Misland Capital bought Oceanic House in 2012 for around \$28 million, the building, located in the St. James neighborhood of London's West End, was in a sorry state. After being sold by the White Star Line it was sold on to a bank, the British government and eventually to a kitschy Tex-Mex restaurant.

"It was tired, with decrepit ceiling tiles and a dormer added in the 1960s," said Peter Rochow, director of Misland Capital, a firm that manages the assets of British businessman Peter Green and family, who have substantial property holdings in London. "Some of the

windows were broken, and it was generally very neglected."

The biggest structural challenge of the renovation was to remove the ugly dormer and rebuild it, using Welsh slate tiles to clad the roof and Portland stone to recreate its original decorative pediment.

This space now holds the penthouse's open-plan living room and dining room, divided by a double-sided fireplace, with views of the Palace of Westminster and Big Ben from one of its two terraces.

"You will not need a clock in this apartment, that's for sure," said Simon Fernandes, a partner at Strutt & Parker, the apartments' joint selling agent along with Beauchamp Estates.

The décor is simple: dark timber floors and a monochrome color scheme enlivened by touches of a rich, deep blue—a nod to the ocean. The Poggenpohl kitchen has a mix of taupe gloss and charcoal cabinets. There is also a study and second living room. The property comes furnished right down to spaghetti waiting to be boiled on the cooktop.

The penthouse's lower floor, accessed by a black polished plaster stairwell, has four bedroom suites, some with original porthole windows. Wood paneling is a constant theme, a subtle nod to the décor of Titanic's first-class cabins, but



JASON ALDEN FOR THE WALL STREET JOURNAL (4); ROGER VIOLET/GETTY IMAGES (LEAFLET)



BLUE HUES The penthouse, above and at right, is listed for about \$27.5 million fully furnished. Top left, marketing material circa 1910. Below right, Oceanic House, built in 1907.

interior designers Morpheus London have kept overt nautical references firmly in check.

This 5,496-square-foot penthouse is listed for about \$27.5 million, while apartments—in rooms where the White Star Line's clerks would once have had their offices—start at \$6.1 million for a 1,604-square-foot, two-bedroom property. One of the seven apartments has already been sold to a German-American couple.

In the seven weeks since they formally went on sale, Mr. Fernandes said second-home buyers from China, South Africa, North America, and Europe, as well as British buyers looking to downsize from country houses, had ex-

pressed interest in Oceanic House.

In terms of its location, St. James' sits on the fringes of prime central London and lacks the cachet of, say, Mayfair or Knightsbridge. However Mr. Fernandes pointed that Oceanic House, sec-

onds from Trafalgar Square, has an average price of \$4,200 per square foot. In prime central London average prices are typically between \$5,600 and \$9,800 per square foot.

Prime London prices have taken a Brexit-related hit since 2014, with average falls of around 7%, according to estate agent Knight Frank.

But Mr. Rochow is resting his faith in the building's unique history, the quality of its design, plus the weakness of the pound. "We are confident, but we know we are not in the same market we were in in 2014," he said. "We are going to have to work a little bit harder."

YOUR LARGEST INVESTMENT DESERVES AN EXPERT

With an experienced real estate agent at your side,
you will always know the next step.

Find your expert and explore homes at bhhsnyp.com

BERKSHIRE HATHAWAY
HomeServices
New York Properties

212.710.1900 • contact@bhhsnyp.com • 590 Madison Avenue, New York, New York 10022

© 2018 BHHS Affiliates, LLC. An independently operated subsidiary of HomeServices of America, Inc., a Berkshire Hathaway affiliate, and a franchisee of BHHS Affiliates, LLC. Berkshire Hathaway HomeServices and the Berkshire Hathaway HomeServices symbol are registered service marks of HomeServices of America, Inc. Equal Housing Opportunity. Information not verified or guaranteed. If your home is currently listed with a Broker, this is not intended as a solicitation.



GLOBAL LUXURY®

WHERE EXCELLENCE LIVES



GREENWICH, CONNECTICUT
Restored Georgian home has gala rooms, 1930 detail, chef's kitchen, wine cellar, 7 bedrooms, 7.2 bathrooms. Pool, tennis court, pond views. 5 acres near town/NYC. \$9,150,000

Tamar Lurie, Laurie Smith & Jen Danzit, Sales Associates
C. 203.536.6953



BROOKVILLE, NEW YORK
This Tuscan Villa-inspired estate on 6.8 acres features two master suites and three en suite bedrooms, guest suite, chef's kitchen, custom library, and oversized den. \$6,500,000

Eva Lee, Real Estate Salesperson
C. 516.859.1887 | O. 516.365.5780



GREENWICH, CONNECTICUT
Luxury & elegance on Wolf Pond - updated 2011 6-bedroom home w/ five-piece custom moldings, chevron wood floors. 1st fl. wine cellar, rotunda. 1.66AC. Pool/waterfall. \$5,975,000

Tamar Lurie & Laurie Smith, Sales Associates
T. 203.536.6953 | L. 203.912.8923



GREENWICH, CONNECTICUT
Mid Country Stone Georgian has beautifully scaled rooms, entry hall fireplace, cook's double island kitchen, 6 bedrooms & expansive lower level to private backyard & pool. \$5,595,000

Francoise Levinson, Sales Associate
C. 203.253.0791



CONCORD, MASSACHUSETTS
"Green" Arts & Crafts-style 5 bedroom residence with high-performance systems, heated studio, barns, paddocks and pond on 30 acres abutting protected land with trails. \$5,250,000

Brigitte Senker & Amy Pasley, Broker Assoc & Sales Assoc
B. 508.935.7496 | A. 617.571.7826



NEWTON, MASSACHUSETTS
Chesnut Hill home. Custom built Shingle & Stone Neo-Victorian. Sun drenched spacious rooms, 6 bedrooms, finished lower level, grassy yard with breathtaking hilltop views! \$5,250,000

Deborah M. Gordon, Sales Associate
C. 617.974.0404



PURCHASE, NEW YORK
Modern sophistication in outstanding home w/ amazing custom kitchen, Italian closets, mosaic marble, hi-end media, LED lights, generator. 2.5 resort-like acres with pool. \$4,900,000

Debra Strati-Padawer, Real Estate Salesperson
C. 914.419.0101 | O. 914.967.0059



CRESSKILL, NEW JERSEY
This Palatial stone & stucco Tammybrook estate offers a stunning spatial layout, spa-like luxuries, mountain views, & finished lower level & outer patio designed for fun. \$4,698,000

Michele Kolsky-Assatty, Sales Associate
C. 201.310.6136 | O. 201.461.5000



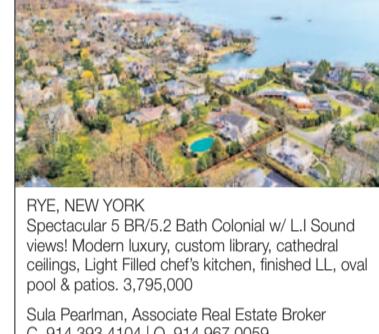
CRESSKILL, NEW JERSEY
You'll be enchanted by the stunning beauty, masterful craftsmanship & exceptional space of this magnificent Mediterranean-style mansion in prestigious Tamcrest Estates. \$4,188,000

Joshua M. Baris, Sales Associate
C. 201.741.4999 | O. 201.461.5000



BROOKLINE, MASSACHUSETTS
Renovated Colonial in convenient estate area of Chestnut Hill, offering entertainment-sized rooms, new chef's kitchen, spa-like baths and patio overlooking sprawling lawn. \$3,925,000

Muriel Hackel & Susan Freedman, Broker Assoc & Sales Assoc
M. 617.939.3133 | S. 617.943.1422



RYE, NEW YORK
Spectacular 5 BR/5.2 Bath Colonial w/ L.I. Sound views! Modern luxury, custom library, cathedral ceilings, Light Filled chef's kitchen, finished LL, oval pool & patios. \$3,795,000

Sula Pearlman, Associate Real Estate Broker
C. 914.393.4104 | O. 914.967.0059



WESTPORT, CONNECTICUT
Sweeping L.I. Sound/Beach views! Show-stopping 2018 home w/linear fireplace, wine bar, Caesarstone/chef's kitchen, spa-like master, elevator, porcelain tile roof deck. \$3,500,000

Judy Michaelis, Broker
C. 203.247.5000



MANHASSET, NEW YORK
Stately Plandome Colonial 8 bedroom masterpiece with 5 fireplaces & 10 Ft ceilings. Beach, mooring & tennis available. Plandome LIRR Parking-30 Min to NYC. Manhasset SD. \$3,499,000

Shelley Scotto, Associate Real Estate Broker
C. 516.816.7428 | O. 516.365.5780



GREENWICH, CONNECTICUT
In town Colonial with large corner lot. Generous rooms and garden. Custom millwork and sophisticated finishes throughout. 4 bedrooms, 5.1 baths, elevator, ample parking. \$3,495,000

Trish Bauer, Sales Associate
C. 203.912.6177



BOSTON, MASSACHUSETTS
Corner unit at The Residences at the Ritz with 11 rooms, 3 bedrooms, 4½ baths, eat-in kitchen, hardwoods, window-wrapped living room, city views, and 2 garage spaces. \$3,495,000

Lili Banani, Sales Associate
C. 617.407.0402



RYE, NEW YORK
Stunning 5 bedroom young Colonial with exquisite finishes, custom contemporary eat-in kitchen opens to Fam Rm/fpl, luxurious library, LL game room/bath. 291ForestAvenue.com. \$3,295,000

Michele C. Flood, Associate Real Estate Broker
C. 914.420.6468 | O. 914.967.0059



SADDLE RIVER, NEW JERSEY
Clean lines, transitional finishes & state-of-the-art luxuries create the ideal setting for modern living in this beautifully renovated estate with easy commute to NYC. \$3,195,000

Michael Randy & Elizabeth Boggs, Sales Associates
C. 201.218.5850 | O. 201.327.5050



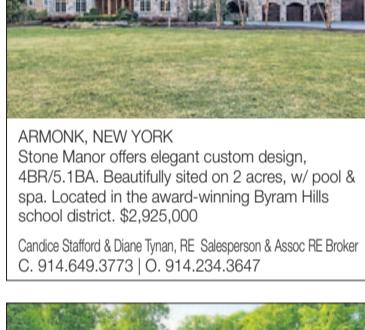
CONCORD, MASSACHUSETTS
New, energy-efficient, 5 bedroom home in tranquil setting with granite kitchen, spa-like master, elegant rooms plus media, game and exercise rooms. Near Estabrook Woods & Town. \$2,998,000

Brigitte Senker & Peggy Dowcett, Broker Assoc & Sales Assoc
B. 508.985.7496 | P. 978.302.3998



BROOKLINE, MASSACHUSETTS
Fisher Hill! Stucco Colonial home on 20,000+ SF lot with original period details, marble foyer, living room with fireplace, sunken den, sunroom and 6+ bedrooms. \$2,990,000

Deborah M. Gordon, Sales Associate
C. 617.974.0404



ARMONK, NEW YORK
Stone Manor offers elegant custom design, 4BR/5.1BA. Beautifully sited on 2 acres, w/ pool & spa. Located in the award-winning Byram Hills school district. \$2,925,000

Candice Stafford & Diane Tyan, RE Salesperson & Assoc RE Broker
C. 914.649.3773 | O. 914.234.3647



BOSTON, MASSACHUSETTS
Enjoy Ritz-Carlton 5-star services, breathtaking unobstructed views, 2,242sf in near perfect condition, 3 bedrooms, 3 ½ bathrooms, 24-hour concierge, and 1 garage space. \$2,895,000

Jonathan P. Radford, Sales Associate
C. 617.335.1010



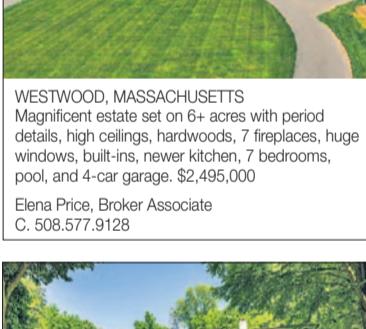
BROOKFIELD, CONNECTICUT
Candlewood Lake Adirondack waterfront offers 5500 SF of view inspired living. Main level master, wrap deck, Tiki bar, sand beach, 4 docks, garage! Entertainer's Delight. \$2,795,000

Barbara Silvia, Associate Broker
C. 203.667.4336



MELVILLE, NEW YORK
Set back & nestled on 2.8 acres in a lush wooded setting, this grand Colonial offers a unique serenity with beautiful window walls, solarium, waterfall, patio with swim spa & hot tub. \$2,500,000

Savita Sen, Real Estate Salesperson
C. 516.987.8614 | O. 516.864.8100



WESTWOOD, MASSACHUSETTS
Magnificent estate set on 6+ acres with period details, high ceilings, hardwoods, 7 fireplaces, huge windows, built-ins, newer kitchen, 7 bedrooms, pool, and 4-car garage. \$2,495,000

Elena Price, Broker Associate
C. 508.577.9128



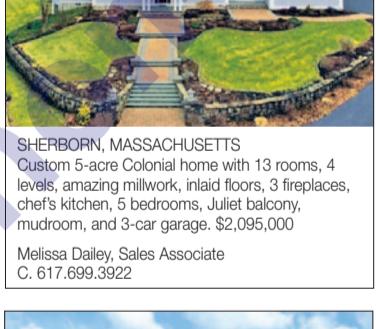
HARDING TOWNSHIP, NEW JERSEY
New Vernons' premier street welcomes you to formal rooms featuring moldings, built-ins & high ceilings. 5 bedrooms with en-suite baths. Bluestone terraces overlook pool. \$2,485,000

Ellen Kiser Gordon, Sales Associate
C. 816.812.7922 | O. 973.543.2552



WENHAM, MASSACHUSETTS
Shingle style home set atop 6.23 acres with in-ground pool, gourmet kitchen, 4 fireplaces, patio, wind-dowled halls, 5 bedrooms, screened porch, plus barn with paddocks. \$2,475,000

John Farrell & Cindy Farrell, Sales Associates
J. 978.578.5203 | C. 978.468.4180



SHERBORN, MASSACHUSETTS
Custom 5-acre Colonial home with 13 rooms, 4 levels, amazing millwork, inlaid floors, 3 fireplaces, chef's kitchen, 5 bedrooms, Juliet balcony, mudroom, and 3-car garage. \$2,095,000

Melissa Dailey, Sales Associate
C. 617.699.3922



STAMFORD, CONNECTICUT
Magnificent estate on 3 acres, w/subdivided 1.72-acre level parcel, pool & tennis ct. Masterful updates in classic historic home, guest house and entertaining/studio/barn. \$2,095,000

Marsha Charles & Mark Pires, Sales Associates
MC. 203.904.4663 | MP. 203.247.2655



IRVINGTON, NEW YORK
Beautiful & renovated Ardsley Park Colonial w/7,000 s.f. Great room, family rm/young kitchen, 6 Brs & 6.5 renovated baths. Walk to train/36 min to NYC. 15BerthaPl.com \$2,049,000

Therese Militana Valvano, Associate Real Estate Broker
C. 914.715.2715 | O. 914.693.5476



UPPER SADDLE RIVER, NEW JERSEY
This spectacular estate has grand living spaces that include chef's kitchen, great room, deluxe master suite, fabulous lower level and private, resort-style grounds. \$1,995,000

Michael Randy, Sales Associate
C. 201.218.5850 | O. 201.327.5050



HO-HO-KUS, NEW JERSEY
A luxurious resort-lifestyle for all your family & friends awaits in this magnificent Manor adorned with distinctive details, indoor pool, & outside oasis with fountain. \$1,988,000

Joshua M. Baris, Sales Associate
C. 201.741.4999 | O. 201.461.5000



MASSAPEQUA, NEW YORK
Breathtaking bay front views illuminate window walls & balconies of this Mediterranean-inspired home with terracotta roof, spa-like marble baths & stunning chef's kitchen. \$1,975,000

Nick Sakalis & Harriet Trastels, Real Estate Salespersons
C. 917.545.8050 | O. 516.864.8100



WATCHUNG, NEW JERSEY
Relax by a fireplace, practice on your own putting green, & entertain with ease in this lovely country estate, it's possible sub-division. Only 30 miles from NYC & trains. \$1,945,000

Cherie Berger, Sales Associate
C. 908.410.0931 | O. 908.769.2412



CONCORD, MASSACHUSETTS
Impressive Colonial home set on 1.99+ acres w/ extensive

Stribling®

**133 East 64th Street, 6A | \$7.35M | Web 20448412**

Triple mint 4BR+lib w priv elev loc on tree-lined st. Boutique FS prewar co-op. Alexa Lambert 212.452.4408

**106 Central Park South 20FG | \$7.995M | Web 20434521.**

Watch the seasons change over NY's CP from your pristine 3BR, 3.5bth Condo. Charlotte Van Doren 917.603.9489

**230 Central Park West, 14LM | \$2.875M | Web 20433159**

Chic & modern gut renov 2BR w CP & skyline views. FS prewar co-op. Jamie Seidner 917.597.2241

**1 Grace Court | \$4.95M | Web 18158614**

Top flr 5BR prewar Co-op overlooking the Promenade & Brooklyn Bridge Park. Wbfplc. Mary Ellen Cashman 917.710.2655

UPPER EAST SIDE**90 East End Avenue | \$7.2M | Web 18093292**
Full flr 4BR PH w breathtaking river, city & park views. FS Condo. Laurie Diamond 212.585.4553, Melissa Ryan Kaiser 212.585.4554**133 East 64th Street | \$5.25M | Web 20448423**
Sunny, hi flr 3BR+lib. 3 expos, LR w wbfpcl, pvt elev. FS co-op. Gioia Zwack 646.644.4642**190 East 72nd Street | \$4.95M | Web 20450103**
10 rms, triple mint, S/E/W vus on 34th flr. FS bldg w gar. 6BR, 6bths. C.B. Whyte 212.729.0997**52 East 72nd St, 9th Flr | \$4.795M | Web 20444515**
Stunning Prewar Condo, full floor, 8 into 7 rms, near Central Park. Knight Meem 917.318.6242.**840 Park Avenue | \$4.295M | Web 17984688**
Triple mint in one of Park Ave's most prestigious FS luxury P/W bldgs. Owner/Broker: Nancy Pirague 914.217.4195**45 East 85th St, 4A | \$3.995M | Web 16307939**
Renov prewar, LR w wbfpcl, 3BR, 3bth, 9'3" beamed ceils. FS co-op. Eleanor Frommer 212.452.4389**201 East 80th Street | \$3.895M | Web 20448744**
Lg, sunny renov. 3BR/3Bth Condo w/priv.terr. in top bldg. W/D in unit. Christine Miller Martin 917.453.5152 & Deanna Lloyd 757.572.0107**169 East 69th St, 17B | \$3.495M | Web 20434183**
Light, views & terrs on prime blk. 2BR/4bth co-op w/ W, S & E expos. 50% Financing. Linda Maloney 212.585.4527**350 East 82nd St, 14D | \$2.895M | Web 20437975**
Terr Galore. 4BR 3bth Condo, hi cel, open expos. O'sized chef's kit. Jeffrey Stockwell 646.613.2615**955 Lexington Avenue | \$2.475M | Web 18170909**
Renovated 3-4BR, 2bth co-op. Huge EIK. 2 WBF. Great Light. Merrill Curtis, Amanda Cannon & Megan Scott 917.922.2905**140 East 81st Street | \$2.1M | Web 20450464**
Loft-type P/W co-op w/ 2MBR Stee+offc/3rdBR. 3 expos, ample clsts. Sharon Walker Flynn 917.744.9693**49 East 96th Street | \$1.995M | Web 20449307**
Prime Carnegie Hill 2BR, 2bth, City/park vus thru 11 windows. FS co-op. Owner/Broker: Anna Maria Mahoney 212.585.4569**1025 Fifth Avenue | \$1.775M | Web 18058272**
Beautifully renovated, S facing 2BR/2bth. Across The Met & CP. Timothy Desmond 212.452.4380 & Linda Melnick 212.452.4425**340 East 72nd St, 13 SW | \$1.75M | Web 20437911**
Designer's turn-key 4 rm P/W FS co-op. Exposed beams, wbfpcl. Barbara Evans-Butler 212.452.4391**131 East 93rd Street | \$1.325M | Web 18132723**
Sun flooded 5 rm P/W co-op on top flr w/ hdwd flrs & orig moldings. Linda Maloney 212.585.4527**80 East End Avenue | \$1.175M | Web 18195009**
2BR FS co-op, perfectly sits on serene, tree-lined st, near 2nd Ave Sub. Pamela Davis Owens 212.452.4371**1150 Park Avenue, 6E | \$895K | Web 17420301**
1BR in FSC Carnegie Hill Co-op. LR w/hi beam ceiling, decor fpcl, ofc/DA. Anne Weld Collins 212.452.4374 & Evelyn Crawford 212.585.4524**155 East 73rd Street | \$549K | Web 18004426**
Charming P/W 1BR w/fpl, move-in cond w/renov bth & kit. Reduced. Patricia Beckwith 917.744.6185 & Charlotte Beckwith 917.744.6184**UPPER WEST SIDE****1 West 72nd Street | \$12.5M | Web 17752981**
Iconic Dakota 8 room with 4 rooms/60ft on CP, 3BR, 2.5baths. Sharon Walker Flynn 917.744.9693**1 Central Park West | \$3.695M | Web 18087725**
Perfect address. 1,444 sf split 2BR/2.5bth Condo. Full hotel services. Inez Wade 212.452.4439**645 West End Avenue | \$2.2M | Web 20449135**
Fully renov Prewar 2BR/2bth co-op. Orig oak paneling & beamed ceiling. Melissa Ryan Kaiser 212.585.4554 & Laurie Diamond 212.585.4553**322 West 72nd St, 1B | \$1.995M | Web 20446098**
Classic 6. 2BR+maid's rm. Direct River Park views. FS prewar bldg. Jocelyn Gold 212.570.5110**173-175 Riverside Dr | \$1.595M | Web 20448764**
Sun-filled corner 4.5 rm in orig cond. 2BR/1bth co-op w/ FDR or den. Pamela D'Arc 917.509.8315**315 West 86th St, 6C | \$1.45M | Web 20434528**
Prewar details. 2BR/2bth co-op on best Park block, convenient loc. Jeffrey G. Levitas 212.570.6242 & Madeline McKenna 917.770.7042**235 West End Avenue | \$945K | Web 20449208**
Extensively renovated East-facing prewar 1BR. Full service Condo. Laurie Stolowitz 212.434.7094**205 West End Ave, 24T | \$695K | Web 20437951**
Lrg hi flr Studio w/ views of Hudson River & GWB. Full service co-op. James J. Schoenfeld 212.434.7067**MIDTOWN****411 East 56th Street | \$3.995M | Web 20445749**
Lux & Sprawling 3BR PH w/ over 1600sf terrs at Lombardy. CP. Bahar Tavakolian 917.297.7067 & Ido Friedman 917.691.1877**117 East 57th Street | \$3.298M | Web 18093353**
3BR Corner faces Central Park, off Park. FS 24 hr white glove Condo. John Barbato 917.254.7630. Charlotte Van Doren 917.603.9489**305 East 40th Street | \$2.35M | Web 20440473**
3BR/3bth co-op w/terr. Approx 2000 sf, 3 open expos to the N, S & E. Julie Perlis 917.414.7653**151 East 58th Street | \$7.35M | Web 20448227**
Views & triple mint 5 rm Condo at Beacon Crt. 24 hr superb FS bldg. Beatrice Ducrot 212.524.4381**105 Baltic Street, C101 | \$1.089M | Web 20451142**
2BR Condo w/ 360 sf private patio, low CC. Gym, roof deck, gar. Mareya Adams 718.208.1929 & Emily Fisher 718.208.1920**2 Grace Court | \$980K | Web 18132880**
Bright & spacious 2BR co-op w/ a renov kit & bth. Orig oak hdwd flrs. Samuel K. Pollach 212.452.4365**415 Argyle Road | \$935K | Web 20446377**
Spac 2BR duplex co-op in prime Ditmas Pk. Priv terr, bike storage. Rio Browne 718.208.1923**88 Quincy Street | \$895K | Web 20449238**
Bright & spacious parlour floor 2BR Condo with private garden. Michael Chapman 646.613.2613**100 Maspeth Avenue | \$875K | Web 20448191**
2BR/2bth at the Oliver Park Condo. E-facing windows, park views. Evan Danzis 646.237.6439**130 Bay Ridge Parkway | \$249K | Web 20444506**
Newly renov loft-like Studio w/ flr to ceiling mrlb bth & 4 x-lrg closets. Violette Tonuzi 718.208.1925**DOWNTOWN****311 West Broadway | \$7.995M | Web 18181111**
3BR/3bth Soho Mews Condo. Triple expos & 853 sf wraparound terr. Jared Seligman 212.396.3159 & Evan Danzis 646.237.6439**60 Beach Street | \$6.995M | Web 18052111**
Prime Tribeca PH-Mint, 2 Terraces; 3BR, 3.5bth. F/S Condo.**155 West 11th Street | \$3.695M | Web 18046715**
1BR, 1.5bth all So Facing. The Greenwich Lane Condo is a 24hr DM. Sean Murphy Turner 646.613.2619**10 West Street | \$2.795M | Web 18182010**
Contemp lux, ultra-spac, 2BR/2.5bth Condo. GR with 3 expos. Nancy H. Tela 212.434.7075**49 East 21st Street, 8B | \$1.9M | Web 20438633**
2BR 2bth loft in boutique Condo bldg. Hi cel, S & W exposures. Karen Foley 917.364.9264**39 Fifth Avenue, 2C | \$1.695M | Web 20448945**
Fully renov prewar 1BR co-op w/ oversized windows & lrg VWC. Amanda Cannin 212.585.4531**118 West 12th Street | \$19.55M | Web 16440241**
Extraordinary Greenwich Village Townhouse. 4BRs, 3.5bths Steven Sumser, Vals Osborne & Lee Ann Jaffee 917.733.9244**TOWNHOUSE****124 Kane Street | \$3.75M | Web 20448765**
Prime Cobble Hill 14 rm brownstone w/ orig details, hi cel. LR w/ fpcl. Dena Driver 718.208.1908**RENTAL****489 Henry Street | \$18,500/mo | Web 18143871**
Completely renov 5BR 4bth Cobble Hill TH w/ter, grdn & studio/ofc. RoseAnne Degliuomini 718.208.1936 & Joseph Vassallo 718.208.1916**20 West 64th Street | \$13,500/mo | Web 18195020**
Lux corner 2BR, 2bth w/ magnificent Central Park & city views. Dena Driver 712.452.4377**322 West 20th Street | \$9,800/mo | Web 20451124**
Exquisitely designed 3BR/2.5bth duplex in Chelsea Historic Dist. Eyal Zabar 646.613.2720**237 Carroll Street | \$9,500/mo | Web 18195022**
Original detail w/ mod renov 3BR/2bth duplex in Carroll Gardens. Dena Driver 718.208.1908**150 Rivington ST.****Thoughtful design on the vibrant Lower East Side.****1 Bedrooms from \$1,065M.****2 Bedrooms from \$1,695M.**212.533.0150 | info@150rivington.com

EQUAL HOUSING OPPORTUNITY. THIS IS NOT AN OFFERING. THE COMPLETE OFFERING TERMS ARE IN AN OFFERING PLAN AVAILABLE FROM SPONSOR. FILE NO. CO15-0391. SPONSOR: 148 RIVINGTON STREET DEVELOPMENT LLC, 600 MADISON AVENUE, SUITE 300, NEW YORK, NY 10022.

[facebook.com/StriblingAssociates](#)

@striblingnyc

212.533.0150 | [@StriblingNYC](http://www.striblingnyc.com)

A SAVILLS INTERNATIONAL ASSOCIATE

savills

LUXURY PORTFOLIO INTERNATIONAL

The Right Broker Makes All the Difference.

Over the past 38 years, Stribling brokers have successfully represented the world's most discerning clients, offering an exceptional level of service, integrity and sophistication coupled with an in-depth understanding of the ever-changing real estate market. Stribling professionals embrace a wide range of tastes and styles, ensuring that each client is matched with the broker who can best assist them in buying or selling their home.

Special Advertising Feature

NEW JERSEY GOLD COAST PROPERTIES

Manhattan Hub Connects Community Across the Water

WITH MORE AND MORE WORKERS IN THIS WEST SIDE DEVELOPMENT, COMMUTABLE NEW JERSEY IS A LOGICAL LIVING SOLUTION



A swift ferry ride from Weehawken to Manhattan's 39th Street means that Gold Coast commuters working in or near Hudson Yards can get from home to office in about 20 minutes.

By Joseph Dobrian

Hudson Yards, on Manhattan's West Side, has become an economic engine for New Jersey's Gold Coast. Several major corporations have relocated there; it's currently Manhattan's hottest live/work/play area. The Gold Coast has, in effect, become the back end of the Hudson Yards, offering much more affordable housing with no compromise on luxury and quality—plus an unbelievably easy commute.

CLOSELY CONNECTED

Wherever you work in Manhattan, getting there from the Gold Coast is a snap. But Hudson Yards, in particular, is so closely connected to the Gold Coast that the two practically form a single community.

Ron Marten, director of community development for NY Waterway—the private company that runs ferry and bus services in the Port of New York, New Jersey, and the Hudson Valley—says the ride across the Hudson River from Weehawken to 39th Street in Manhattan takes eight minutes—which means that if you work in or near the Hudson Yards, you can leave your Gold Coast home and arrive at your desk within around 20 minutes.

Save for the smallest hours of the morning, it's as easy to get to Hudson

Yards from the Gold Coast as anywhere else in Manhattan—often faster and cheaper, as well.

"From our 39th Street location, it's a 13-minute walk to Hudson Yards—and it's a pleasant walk with great views," he says. "We also have connecting shuttles that will get you there faster."

THE GOLD COAST PRESENTS A TREMENDOUS RESIDENTIAL OPPORTUNITY FOR PEOPLE WORKING IN HUDSON YARDS."

"We have several terminals on the Gold Coast that connect to 39th Street, including Port Imperial in Weehawken, which is our busiest one; Edgewater; Lincoln Harbor; Hoboken at the NJ Transit terminal; Hoboken 14th Street; Harborside Jersey City; Paulus Hook; and Belford. Most of those also connect to Pier 11—which is Wall Street—and to Battery Park City, near Brookfield Place," Mr. Marten adds.

"There's more to come. More locations are in discussion, and we're always looking for ways to improve the commute," he concludes.

The Gold Coast presents a tremendous opportunity for people who work in Hudson Yards but are priced out of

residential options there or in other upscale neighborhoods of Manhattan," says Craig Klingensmith, Northeast Urban division president for Lennar Corporation. Lennar is currently offering two condo projects on the Gold Coast: The Avenue Collection and Henley on Hudson, both located just a few steps away from the ferry in the master-planned Port Imperial community in Weehawken.

"The value of these brand-new condos is tremendous compared to Manhattan," he says. "The first for-sale condos in Hudson Yards we see are going for about about \$2,500 per square foot and more. We're selling at an average of \$1,000 per square foot. Both properties are directly on the Hudson River, with amazing views."

"We've already been drawing buyers from Manhattan and Brooklyn by offering a great alternative for people priced out of those markets who also appreciate our commuter convenience to New York City, and Weehawken's waterfront space."

Also at Weehawken, Gabe Pasquale, senior vice president of sales and marketing for Landsea Homes, is marketing and selling Avora, a 183-unit luxury condo building on the Weehawken waterfront. Landsea is preparing to welcome the building's first residents this month.

"We still have several locations with unparalleled views of the midtown skyline and Hudson river to the north, east and south. This neighborhood of Weehawken has vibrant retail in place

now; a hotel will open later this year; new restaurants are coming in."

Weehawken is where much of the modern condo development is happening on the Gold Coast, but condo and luxury rental properties—with the latest and most sought-after amenities—abound in more urban areas such as Jersey City and Hoboken. Those communities also offer attractive single-family homes, as do Edgewater, Fort Lee, Bayonne and other nearby towns.

FASHIONABLE RETAIL

Meanwhile, Hudson Yards just keeps on growing. It will eventually include more than 18 million square feet of commercial and residential space, including Class-A office, fashionable retail, and innovative restaurants—plus about 14 acres of open public space. The residential piece will consist of about 4,000 units. The project includes improved connections to commuter rail service, the subway system, the West Side Highway, the Lincoln Tunnel and ferries along the Hudson River.

Technology-related companies occupy much of the development's commercial space; media and financial-services firms are also well represented there, as well as in the surrounding neighborhoods of Chelsea and Hell's Kitchen.

Driving the project is Related Companies, one of the biggest privately owned real estate firms in the U.S.

Special Advertising Feature

NEW JERSEY GOLD COAST PROPERTIES

Outdoor Amenities Abound Outside of New York City

IT HAS A BIG ADVANTAGE OVER MANHATTAN—SKYLINE VIEWS, TERRACES, LAWNS, PLAZAS AND OPEN-AIR SWIMMING POOLS

By Joseph Dobrian

One big difference between living in Manhattan and living on New Jersey's Gold Coast—aside from the price—is that the Gold Coast offers so much more in the way of outdoor amenities. These are often a part of the building you live in, with balconies, terraces and common outdoor entertainment areas more and more in demand, and government restrictions on them loosening. But they also come in the form of public parks and walkways, to which many luxury residential developments are tied. These are becoming more sophisticated, including well-kept soccer and softball fields, basketball courts and grassy areas strategically placed to provide optimum views.

SOCIALIZING ENCOURAGED

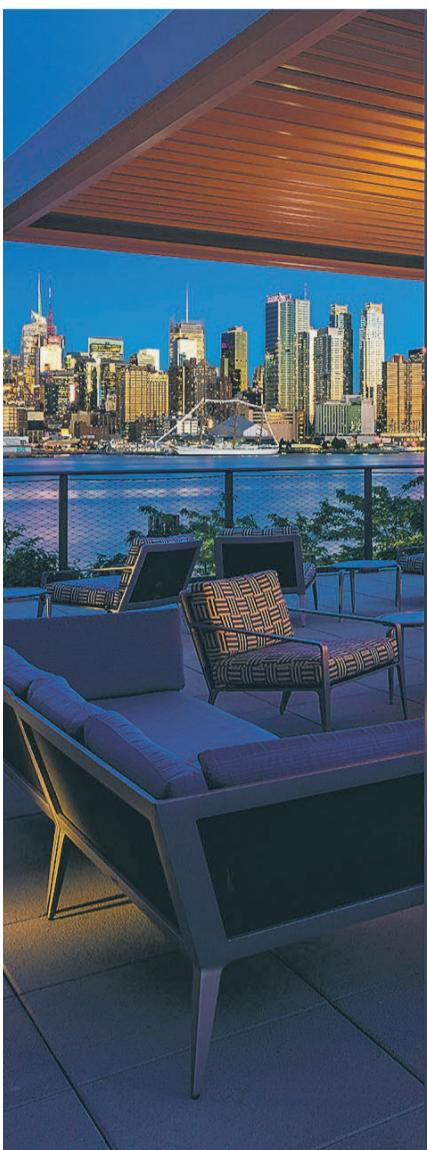
Outdoor space that encourages residents to congregate and fraternize appears to be a more popular feature today than in previous generations—perhaps because so much communication is now done remotely. Some developers of multi-building projects encourage this trend by placing certain amenities in one building, and some in another, to encourage residents to use the whole space, and to socialize in the common areas.

The Weehawken waterfront is probably the best-known public recreation area along the Gold Coast. It offers long trails for walking, cycling and taking in the magnificent vistas of the Hudson River and the Manhattan skyline.

"OUTDOOR SPACE IS CERTAINLY IN MORE DEMAND IN THE MARKET."

Weehawken has long been known for its system of municipal parks, of which the Waterfront Park and Recreation Center is probably the most famous. That facility is in the process of expanding by approximately 3.5 acres, including two swimming pools, a basketball court, sand volleyball, seasonal ice-skating rink, and a sloping great lawn. The park already includes soccer and softball fields, a running track, tennis courts,

SARGENT PHOTOGRAPHY



Rooftop entertainment areas like this one at 1200 Avenue at Port Imperial are in greater demand, with government restrictions on them loosening.

playgrounds and an outdoor workout area. The addition is scheduled for completion in late 2019.

"In addition to that amazing waterfront area, our two new developments at Port Imperial have terrific outdoor amenities," reports Craig Klingensmith, Northeast Urban Division President for Lennar Corp., which is currently offering homes at The Avenue Collection and Henley on Hudson in the master-planned Port Imperial community in Weehawken.

"At Henley, you have outdoor pool and seating areas; fire pits have now come into play; we have outdoor TVs associated with that," he says. "At 1200, we have a dramatic third-floor landscaped plaza that includes a sun-shelf swimming pool, and garden spaces with multiple seating areas."

Nearby, another luxury condo project, Avora, still has some units available,



and Gabe Pasquale, senior vice president of sales and marketing for Landsea Homes, says the development includes 10,000 square feet of common outdoor space, including a pool and grilling stations, and most units have a terrace or balcony.

GREAT VIEWS

"Outdoor space is certainly in more demand in the market," he says. "Our outdoor plaza is landscaped, with a pool, sun deck, lounges, grilling areas, and a fire pit—and you're looking out at the Manhattan skyline."

That's one more advantage that the Gold Coast holds over Manhattan: it might be fun and exciting to live right in the city, but you rarely have a view. Great views used to be harder to come by in this market, since some municipalities restricted the building of terraces and decks on multifamily buildings. However, many of those rules have been relaxed, as developers have been able to make the case that outdoor amenities will lead to higher asking prices—and more tax revenue.

"In towns like Hoboken, where there's a high percentage of young tenants, for many years it was impossible to develop a property with outdoor decks—especially common terraces—because of

accountability issues," explains Art Johnson, vice president of Liberty Harbor North, developer of the Gulls Cove condo project in downtown Jersey City.

OUTDOOR SPACE

"The rules have changed, so you're seeing more of them now—and Jersey City was never as restrictive," he adds. "Here at Gulls Cove, the outdoor space is a key amenity."

"We have two outdoor plazas, with seating and a fire pit, and one has a putting green. Some units have private outdoor terraces. We always try to incorporate some outdoor space in all our developments, because people are more and more appreciative of it."

Even in urban settings, common outdoor space is in demand. At Vantage, a pet-friendly 45-story luxury rental development in Jersey City, one of the most prominent features is the sixth-floor recreational area, which combines indoor and outdoor amenities—the most impressive of which is the full-size outdoor basketball court that overlooks Liberty Harbor.

Also on the building's sixth-floor deck is an outdoor zero-entry swimming pool, fitness equipment, games, indoor and outdoor seating, a lounge and a grassy landscaped area.

SCOTT GAMUT

AVORA PREPARES TO WELCOME FIRST HOMEOWNERS THIS SPRING WITH COMPLETED AMENITIES



On the Weehawken waterfront overlooking midtown Manhattan, the luxury condominium building Avora is just weeks away from initial occupancy and the debut of its completed amenities.

Developer Landsea Homes has targeted this Spring to commence closings at Avora. Simultaneously, Landsea Homes will unveil Avora's full suite of amenities, which include a magnificent lobby with Concierge, screening theater, boardroom, grand salon lounge with a bar and catering kitchen, on-site pet grooming facilities, and a state-of-the-art strength and cardio fitness center. A landscaped outdoor plaza features a pool, spacious sun deck, lounges, grilling areas and a fire pit—all set against the backdrop of the Manhattan skyline.

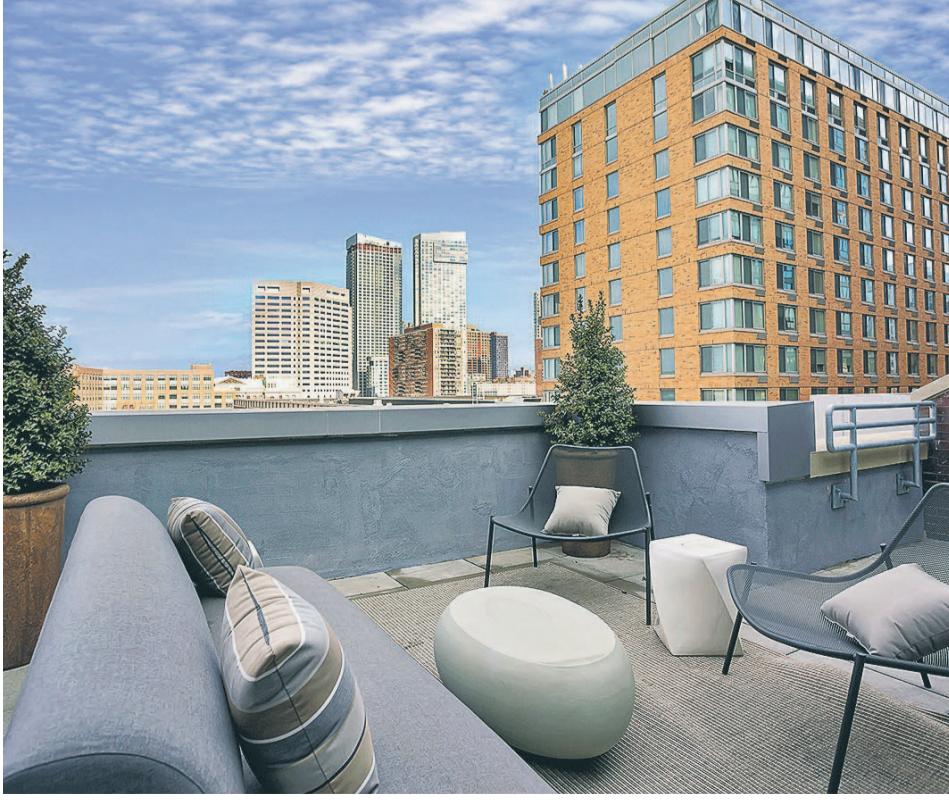
Winner of the "National Community of the Year" at The Nationals 2018, Avora is located just steps from the Port Imperial Ferry Terminal providing an 8-minute commute into Manhattan. Hudson-Bergen Light Rail service to Hoboken, Jersey City, the PATH system and NJTRANSIT's Hoboken Terminal is also just steps away.

One-, two- and three-bedroom homes—as well as a limited offering

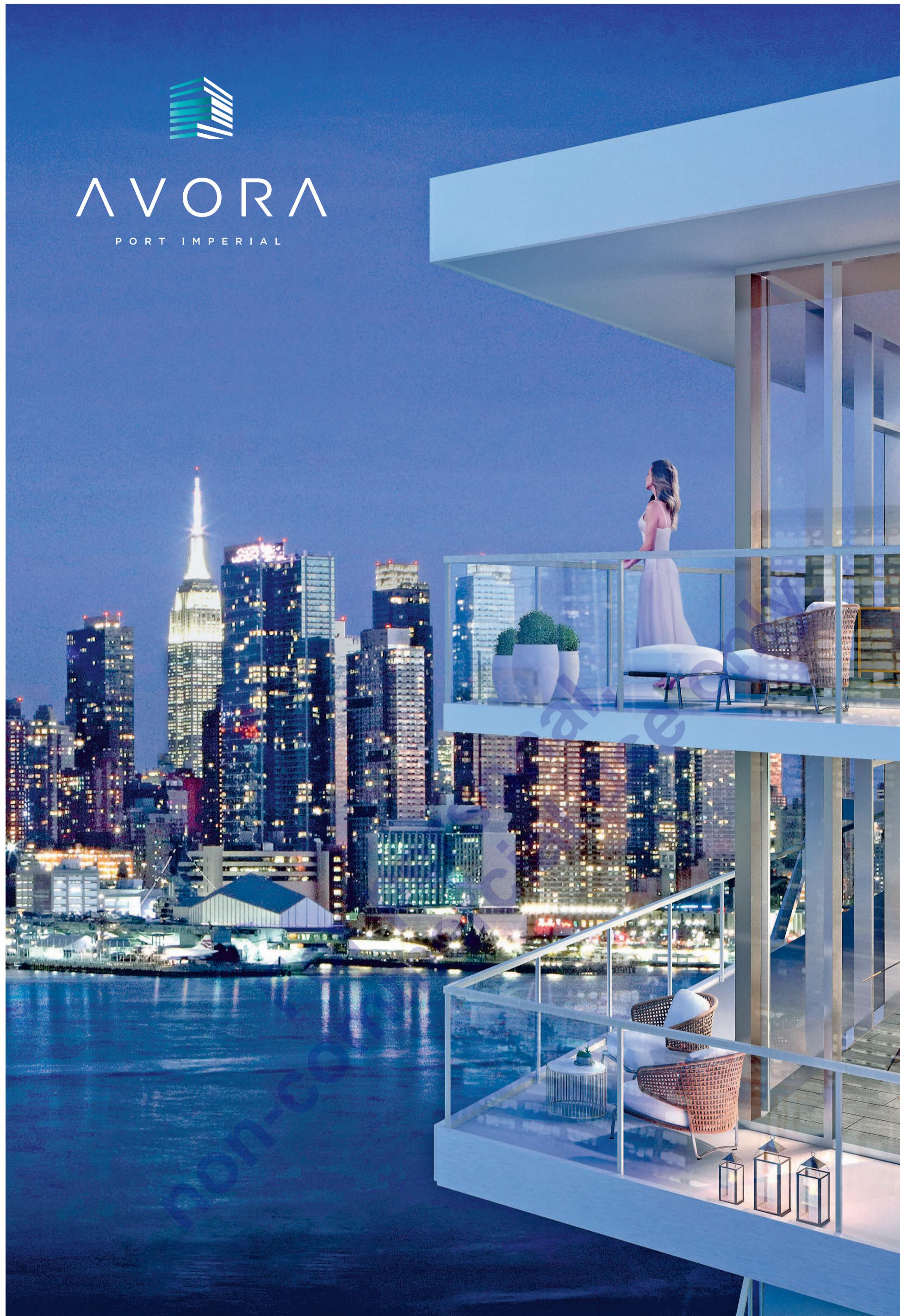
of duplex Penthouses—feature dramatic finishes and appointments. Many residences offer balconies and terraces with unimpeded Manhattan views. Prices range from the \$800,000's to more than \$4 million, with the added benefit of a recent property tax rate deduction from 2.23% to 1.49%.

Port Imperial also features a waterfront walkway system and numerous parks, ball fields, tennis courts and riverfront dining and shopping.

www.AvoraLiving.com
201-499-1496w
500 Avenue at Port Imperial,
Weehawken, NJ 07086



Private outdoor recreation space at Gulls Cove in Jersey City is a key amenity for buyers.



Own
the
view.

2018 NATIONAL COMMUNITY OF THE YEAR

THE TIME IS NOW TO PURCHASE YOUR NEW HOME
AT AVORA PORT IMPERIAL.

A Once In A Lifetime Opportunity Awaits At This Spectacular Collection Of Premier Waterfront Condominium Residences.

The Time Is Now To Purchase Your New Home At Avora. Experience The Art Of True Luxury Living; Maintenance-Free, Amenity-Rich And With A View That Will Take Your Breath Away.

RAPID HOME DELIVERY - MOVE IN THIS SPRING
PRICED FROM THE \$800's to \$4M+

201.272.6636 | AVORALIVING.COM | SALES OFFICE: 500 AVENUE AT PORT IMPERIAL, WEEHAWKEN, NJ



Prices and availability are subject to change without notice. All drawings and photographs are artist renderings and are subject to change without notice at the discretion of the developer. The complete offering terms are in an offering plan available from Sponsor. File R-4774. Obtain a copy of the State of New York CPS-12 application and exhibits prior to purchase File No. CPI6-008. © 2018 Landsea Homes. All Rights Reserved.

1.49%
TAX RATE

Special Advertising Feature

NEW JERSEY GOLD COAST PROPERTIES

Younger Home-Seekers Find Good Value in New Jersey

TODAY'S UNDER-35 BUYERS AND RENTERS WANT COMFORT AND CONVENIENCE

By Joseph Dobrian

In terms of housing, "Millennials"—vaguely defined as people who came of age at the turn of the millennium or later—appear to have different requirements from people of previous generations. They also tend to buy a home later in life. This may be because they tend to marry later, or perhaps they're more exacting when it comes to the value proposition of home ownership. In any case, both luxury condos and rentals are finding favor with younger residents of the New Jersey Gold Coast.

GREATER CONTROL

According to Art Johnson, vice president of Liberty Harbor North, which is developing the Gulls Cove condo project in downtown Jersey City, millennials demand greater control of their lifestyle than their parents and grandparents required. This means a higher level of service in multifamily housing, and better access to public transportation.

"Gulls Cove was developed with that in mind," he says. "We offer a tremendous amount of service: lots of people in the building to take care of residents' needs. A light-rail station—the train stops right by the building—and the ferry and PATH train are less than five minutes away. Newark Airport is less than 15 minutes away."

"MILLENNIALS WANT TO LIVE IN A 'ONE-STOP SHOP' THAT SATISFIES BOTH PERSONAL AND LIFESTYLE NEEDS."

"Millennials are one of the slower generations to move into home ownership," says Gabe Pasquale, senior vice president of sales and marketing for Landsea Homes, which is developing Avora, a luxury condo project on the banks of the Hudson River. "It's encouraging to see more of them entering the buying process. They want a convenient, seamless lifestyle: an easy commute to work, easy access to retail, food, entertainment. The millennial buyer is typically coming from having grown up in an urban situation—much more so

SARGENT PHOTOGRAPHY



LANDSEA HOMES



Rooftop recreational spaces, such as eating and drinking areas and gyms, are high priorities.

than previous generations—and that's why communities like Avora, which is right at the Port Imperial Ferry Terminal, make sense to them. The value that we offer, compared to what you'd pay for it in Manhattan or Brooklyn, is alluring to them."

According to McKissick in Warren, Penn., an organization that specializes in education for real estate professionals, younger home-buyers and luxury renters are economy- and ecology-minded types. They like "green" features

that conserve energy, such as smart thermostats and wireless lighting controls. They tend to choose quality over square footage. If they have children, they will want to know about nearby schools, the safety of the neighborhood, and how their new home is likely to perform as a long-term investment.

"Younger home-buyers and renters want convenience," according to Kristen Fortino, real estate salesperson at Keller Williams NYC.

"They want to be able to live in the neighborhood that fits their personality and lifestyle most, live near their friends/family, be close to the gym or grocery store, and have easy access to public transportation. They ideally want some sort of outdoor space, be it a balcony/terrace/roof deck, laundry or gym within the building, as well as a doorman from both a delivery and safety perspective."

"Millennials and GenXers are growing

up in a world where they don't have to leave the comfort of their home to get food, get transportation directly to their door, find where their friends are, or even look for a new apartment online. They want to be able to live in a place that's a one-stop shop that satisfies both personal and lifestyle needs."

Joe Bastone, senior account manager of New York-based Metropolis Group, which specializes in expediting the permitting process for commercial and residential real estate projects, says the latest generation of owners and renters of luxury real estate are demanding a new list of amenities, some of which must be carefully handled to ensure that they'll fall within local regulations.

MUST-HAVE AMENITIES

"Rooftop amenities such as recreational spaces, eating and drinking areas, office meeting rooms, and commercial amenities are no longer nice-to-haves, but must-haves—for tenants and owners," he observes.

"In Jersey City, Weehawken and the Piers, we're seeing fantastic new residential buildings with great amenity spaces. The most popular amenities include golf simulators, beer gardens, barbecues, fire pits and rooftop conference rooms.

"Millennials and 'Generation Xers' don't think about cost. They're all about functionality, sustainability, and 'the now.' They want great space, no matter how small it is."

Younger renters are also more receptive to amenities and services that are available to the surrounding community, as well as to residents of the building. These might include dog runs, walking/jogging trails and green space. Fitness centers continue to be a high-priority amenity. Young renters also react well to "quiet space," such as indoor or outdoor meditation areas. At the higher end, in particular, young renters don't want to hear their neighbors' stereos, or smell their cooking—so insulation and soundproofing are gaining importance.

Hoboken and Jersey City both are popular with younger residents who enjoy living in vibrant, arts-oriented communities with plenty of options for entertainment, dining and partying. Other Gold Coast communities that offer a mixture of convenience, fun and luxury include Fort Lee, Weehawken, and Cliffside Park, just north of North Bergen and west of Edgewater. All offer sweeping views of the Manhattan skyline, and plenty of easy commuting options—to New York as well as to other New Jersey communities.

The new Cliffside Park Towne Center includes a 13-story tower with 277 luxury rental apartments, plus 50,000 square feet of retail and office space and an outdoor plaza. The all-glass, 204-unit One Park condo building is set to open in Cliffside Park this summer.

TALLEST RESIDENCE IN NEW JERSEY ELEVATES LUXURY LIVING IN JERSEY CITY



Developed by China Overseas America, (COA), the U.S. division of Hong Kong-based China Overseas Holdings Limited (COHL), 99 Hudson will be the tallest residential building in the state of New Jersey with 79 stories, including 781 residences ranging from studios to three-bedroom condos. The Marketing Directors is overseeing sales and marketing for the project.

Designed by Perkins Eastman, the luxury residential tower will be clad in limestone, a material traditionally associated with fine residential architecture. Residences feature spacious open layouts, floor-to-ceiling windows, oak flooring, in-home washer and dryers, modern kitchen appliances, Caesarstone countertops, Italian porcelain tile baths, and sustainable design.

99 Hudson offers residents a full-service, luxury lifestyle with over 65,000 square feet of amenity space, including

a 24-hour attended lobby, outdoor pool with sundeck, state-of-the-art fitness center, yoga and Pilates studio, indoor and outdoor lounge with BBQ areas, children's playground, dog run and spa. 99 Hudson will offer one-and-two bedroom residences with select studios and penthouses with terraces.

99 Hudson guarantees unrivaled views of the Manhattan skyline and the New York Harbor, redefining the art of waterfront living on New Jersey's Gold Coast. Located steps away from the PATH station and NY Waterway Ferry Terminal, 99 Hudson's waterfront location provides easy access to Manhattan, an attractive offering to professionals working in New York's Financial District.

99hudsonliving.com | 201 425 9676

99
Hudson

FIVE MONTHS AFTER OPENING IN PAULUS HOOK, LENOX IS 50-PERCENT LEASED

Five months after opening its doors, Lenox—the only new luxury residential development in Jersey City's sought-after Paulus Hook neighborhood—is 50-percent leased.

Located at 207 Van Vorst Street, the 15-story building comprises 255 studio, one-, two- and three-bedroom homes that are complimented by a collection of high-end amenities rarely found in the Jersey City market, including a rooftop pool, 24/7 doorman and concierge, automated parking garage, Amazon Hub electronic package storage system, and a grand lobby that is activated with lounge areas, game rooms, and a café.

Apartment interiors are infused with high-end, aesthetically pleasing features and finishes that contribute to ease of living. The apartments, which range in size from approximately 430 to 1,530 square feet, feature spacious living areas with designer flooring,



and stylish kitchens equipped with stainless steel appliances and fixtures, quartz countertops and sleek, modern cabinetry. Every residence features a washer and dryer, pendant lighting, and walk-in closets, and select residences feature private terraces.

www.lenoxnj.com | 201-367-1947

LENOX
PAULUS HOOK

ELEVATE YOUR PERSPECTIVE.



99 Hudson
PREMIER CONDOMINIUMS
GALLERY NOW OPEN



201.268.7581
99HUDSONLIVING.COM

101 HUDSON STREET, SUITE 3602
JERSEY CITY, NJ 07302



Special Advertising Feature

NEW JERSEY GOLD COAST PROPERTIES

For Today's Buyers, Home Is Where the Art Is

PRACTICAL AMENITIES ARE ALWAYS CRUCIAL, BUT A LESS FUNCTIONAL TREND IN RESIDENTIAL BUILDINGS IS GAINING POPULARITY

By Joseph Dobrian

Luxury housing along the Gold Coast of New Jersey reflects residents' growing desire for the latest high-tech amenities, indoors and out. Some of the words that keep popping up, in descriptions of these amenities, include "smart," "automation," and "sustainability." But sometimes low-tech, less utilitarian amenities are important to a property's attractiveness. The homebuyer or prospective tenant might not specifically request these features, or even remark on them, but they're appreciated nonetheless. Art—particularly in public areas used for reading or for quiet socializing—can constitute an important component in any multifamily building.

URBAN AESTHETIC

Curated art collections are gaining popularity in commercial, residential and hotel properties—including luxury condo and rental buildings along the New Jersey Gold Coast. They have found their way into luxury rental buildings in New Jersey Gold Coast cities such as Jersey City and Harrison. In some cases they relate to the aesthetic of urban life along the Gold Coast, and to the natural beauty of the region.

The artworks often hang in public areas such as lounges and reading rooms, to transform

BRAD ANDERSON



Curated art can bring energy and excitement to a building's public areas.

those rooms into more comfortable, friendly places and to create a greater sense of 'home' in a common area. Pictures and small sculptures can create a sense of home in the hallways.

"CURATED ART COLLECTIONS ARE GAINING POPULARITY IN COMMERCIAL, RESIDENTIAL AND HOTEL PROPERTIES."

What goes into a well-curated art collection for a luxury apartment building? The consensus among real estate professionals is that the conventional landscapes and still-lifes, and statuary that's too abstract to offend—all of which used to be

standard in apartment buildings and hotels—are passé for modern developments.

Contemporary art that promotes local artists seems to be gaining favor nowadays. It's important to let a building's residents feel that they're sharing a valuable secret, by having something a little unusual hanging in the common room.

RECREATION AREAS

Outdoor art, as part of a garden, plaza or recreation area is also becoming more popular. However, whether the art is indoors or outside it can be a fairly expensive amenity, for which reason working with a knowledgeable curator is a must in order to get it right.

An artist might be commissioned to produce a piece of work specifically designed for an outdoor space, or a chandelier for the lobby, or a series of decorative windows at street-level.

A developer should always have a set budget in mind, and work with a curator who can stay within it. A rotating collection, featuring for-sale pieces, is another option. If the neighborhood and the building's level of security will allow for it, one or two expensive pieces by a "name" artist can create a tremendous first impression, and set the right tone for the whole property.

Jersey City-based artist Stefania Panepinto created a personalized service to connect building owners with artists, and create décor with a one-of-a-kind look. "My work brings an interactive approach to bridging the gap between the development and art community," she says.

"A carefully curated, permanent art collection is an amenity that creates a distinctive energy or vibe and enhances the guest/tenant's experience by creating emotional connections throughout the space," she adds.

"An art collection aims to make an art experience immersive for guests and residents, while it also helps to convey a 'luxury lifestyle' brand. Art transforms a space and produces exciting new, memorable spaces within buildings."

Art installations should usually be customized to the lighting and furnishings of the space, creating a distinctive art experience for every area of the building. The type and amount

of art will naturally depend on the size, scale, and overall feel of the building. Delivery and installation have to be carefully planned too.

SENSE OF COMMUNITY

A curated art collection for a rental or condo apartment building can range from a single work, prominently displayed in a public area, to hundreds of smaller works distributed throughout the building and grounds to create a visual sense of community.

Art can bring energy and excitement to public areas—but it mustn't be too busy and varied, brokers say, or the effect will not be as welcoming. People tend to react to art on an emotional level, and industry experts point out that residential developers should always be mindful of what a work of art could evoke in the viewer.

The New Jersey Gold Coast generally—and Jersey City specifically, with its vibrant neighborhoods such as the Powerhouse Arts District—have become increasingly important centers for the arts on the Eastern seaboard, and curated collections are a great way for developers to use their buildings to support the artistic community.

Art in public buildings tends to increase traffic flow in a neighborhood, and has always been an important component in residential buildings that feature ground-floor retail.

LEONX

PAULUS HOOK

ONE
MONTH
FREE

A TRUE LIFE + STYLE CONNECTION

NOW LEASING**LUXURY STUDIOS, 1, 2 AND 3 BEDROOMS
STARTING AT \$2,360***

At Lenox Jersey City, connected living is at the heart of everything we do; from a truly eclectic blend of brownstone-style architecture meeting contemporary design.

LEONXNJ.COM | 844.383.6633

207 Van Vorst, Jersey City, NJ 07302



*Net effective with 1 month free on a 13 month lease. For a limited time. Offer ending soon. Prices and features are subject to change. All images are a combination of photography and artist renderings. The artist representations and interior decorations, finishes, appliances and furnishings are provided for illustrative purposes only.



IMMEDIATE OCCUPANCY | 90% SOLD OUT



GULLSCOVE II



Studios,
1, 2, 3 BR's
& Townhouses



201 Marin Blvd, Jersey City | gullscoive2.net | 855-485-5752

kw CITY LIFE
KELLERWILLIAMS. REALTY

Each office is independently owned and operated

THE SUTHERLIN GROUP

COMMITMENT | INTEGRITY | EXPERTISE

EQUAL HOUSING OPPORTUNITY



Special Advertising Feature

NEW JERSEY GOLD COAST PROPERTIES

Retail Gets A New Flavor On the Gold Coast

FOOD AND FITNESS ARE KEY ASPECTS OF COMMERCIAL DEVELOPMENT TODAY

By Joseph Dobrian

New Jersey's Gold Coast, long associated with luxury residential, is gaining popularity with developers of Class-A office space—and, with that, comes a different type of retail. New Jersey has always been known for its glitzy malls, but many traditional retailers are making an ever-higher percentage of their sales online. However, some kinds of retail can't be duplicated online and also are in greater demand. These include fitness and personal services centers, restaurants and entertainment venues.

SHOPPING SURGE

Jason Gerbsman, managing principal at HUDSON, a boutique retail real-estate firm that specializes in landlord and tenant representation, lives on the Gold Coast and devotes much of his time to building retail tenancy there. He reports that retail development has surged there in the past couple of years.

"Drive along the water from the Holland Tunnel to the George Washington Bridge and you'll be amazed at what you see. A hotel is planned on top of the Port Imperial ferry terminal at Weehawken, with some retail on the ground. I recently brought Club Metro USA to the Newport Tower at 525 Washington Street in Jersey City, where they've done a tremendous job of amenitizing [sic] the ground floors."

"That deal speaks to the state of retail real estate in general," he notes. "Today, retail is all about food, fitness, and amenities. Stores that specialize in apparel or hard goods are struggling, as online sales increase." Mr. Gerbsman adds that 525 Washington's back end



Service-based retail—including coffee shops and restaurants—cannot be duplicated online and is in demand in Gold Coast neighborhoods.

connects with the Newport Mall, but the owners wanted some retail on-premises, besides, to serve the building's office tenants.

A fitness center is a must for any Class-A office building nowadays, and this Club Metro USA offers high-end features such as classes, personal training, a spin studio and a juice bar. The club is due to open this summer, he says.

AMENITIES ARE ALL

"Club Metro is a franchise model; they're looking for other opportunities," he explains. "There's a true need for this sort of retail, because more office product is coming into the Gold Coast. Retail today is food, fitness, and service-oriented concepts, especially elevated service. Retail in general

is all about amenities, these days, and gourmet markets are the greatest amenity to any development or community.

"Another very important amenity to the Gold Coast is public transportation," Mr. Gerbsman points out.

"Back in October, Jersey City debuted its fourth ferry terminal, offering connections between Hoboken, Midtown Manhattan, and Battery Park City. The ferry is located at the base of Mack Cali's new mixed-use mega-project that will consist of office, retail, and residential."

Glenn Beyer, senior managing director of RKF, a company that specializes in retail brokerage, says a local high-end bakery/café has been adding locations in the Gold Coast area. So has an upscale ice-cream store that originated in Brooklyn.

“GOURMET MARKETS ARE THE GREATEST AMENITY TO ANY DEVELOPMENT OR COMMUNITY.”

"What's interesting about that is that we're seeing more people moving here from Brooklyn—because they like the amenities," he says. "The residential product is here, and the retail is improving. Northern Hoboken is where you'll find the most luxury rental, and

we have a lot of retail space that fits the service end of that business. More restaurants will come in. As of now, we're dealing with issues surrounding liquor licenses. That part of the Gold Coast has little Class-A office, now, but we hear talk of adding some, which will increase the daytime population and traffic. That in turn could lead to more quick-service restaurants coming in."

ITALIAN HERITAGE

Hoboken hosts food and restaurant events throughout the year, including an annual celebration of mozzarella cheese, in honor of Hoboken's Italian heritage.

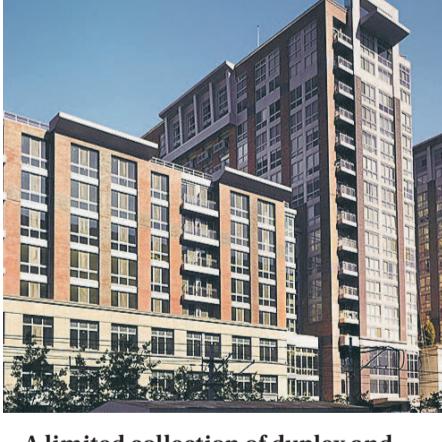
"Gold Coast residents also appreciate the proliferation of art and culture, and unique attractions," adds developer Art Johnson, vice president of Liberty Harbor North. "Neighborhoods like Grove Street and Paulus Hook are offering more dining options, and the Hudson River waterfront walkway is nearby, as well as the Morris Canal, which has multiple marinas and yacht clubs."

Of course, no discussion of Gold Coast retail and entertainment would be complete without mentioning the options available at Hudson Yards, just across the river and ever more easily accessible from New Jersey. The neighborhoods surrounding Hudson Yards—Chelsea and Hell's Kitchen—are undergoing a cultural renaissance, with new galleries, ateliers and restaurants steadily coming in.



Gourmet markets are one of the most important amenities in Gold Coast communities.

NEW DUPLEX AND TRIPLEX RESIDENCES AT GULLS COVE II OFFER BROWNSTONE-STYLE LIVING WITH AMENITIES AND SERVICES



A limited collection of duplex and triplex residences has been released for sale at Gulls Cove II in downtown Jersey City, delivering a unique living experience that combines the appeal of a brownstone with the modern finishes, amenities and services of a new luxury condominium building.

The two-story duplex homes are priced from \$1.389 million and include private street entrances, two bedrooms, three baths, and 13-foot ceiling heights. Just five triplex homes are available, priced from \$1.79 million. The residences boast three bedrooms, three baths, 2,155 square feet of living space, and an oversized outdoor

terrace. The triplexes also feature private parking spaces in an enclosed garage with direct access to the homes.

The 429-unit condominium building is more than 80% sold and occupied, with prices starting at \$485,000 for the remaining studios, one-, two- and three-bedroom residences. Some homes feature views of the Manhattan skyline or Liberty State Park, while all residences are well-appointed with elegant finishes and contemporary design details.

Amenities include a 24-hour Concierge, Fitness Studio equipped with Peloton bikes and a Yoga studio, a Club Room with a bowling alley, shuffle board and screening area; a Resident's Lounge, and a children's playroom.

The community is located across from the Hudson-Bergen Light Rail, and a short walk away from the Grove Street PATH station and NY Waterway ferry service to Manhattan's Pier 11/Wall Street.

www.gullscove2.net
855-485-5752.
201 Marin Blvd, Jersey City, NJ 07302

GULLS COVE II

TOLL BROTHERS CITY LIVING EXPANDS ITS GOLD COAST OFFERINGS

With convenient locations, commuter-friendly advantages, and proximity to the New York City, Toll Brothers City Living, the urban development division of Toll Brothers, Inc. has seen big demand from urban home seekers on The Gold Coast.

Hoboken

Homebuyers in Hoboken are drawn to the Hudson Tea community at the city's tranquil north end. Now over 95% sold - condominiums at 1400 Hudson are still available, but moving fast. Pricing begins in the \$900,000 to more than \$1.8 million.

To learn more about this elegant addition to the Hoboken cityscape, visit 1400hudson.com, or call 201-795-1960. With high demand and a desirable location, Toll Brothers City Living continues its forward momentum with its latest waterfront development at 1425 Hudson Street at Hudson Tea. Join the VIP list at 1425hudson.com to stay up to date on the latest developments and anticipated opening for sales later this spring.



Jersey City

In Jersey City, Toll Brothers City Living recently launched sales for 10 Provost Street at Provost Square, a 28-story full-service building in the Powerhouse Arts District. The new condominium features 242-luxury residences, more than 27,000 square-feet of amenity space with convenient on-site retail, and is only a block away from the Grove Street PATH station and the Newark Avenue Pedestrian Plaza. Pricing begins in the mid \$500,000's to more than \$1.7 million.

To learn more about 10 Provost visit 10provost.com, or call 201-350-5944. The building is anticipated for completion in Fall 2018.

Toll Brothers
CITY LIVING®



COMING SOON
LUXURY CONDOS IN HOBOKEN'S NORTH END

Join Our VIP List 1425Hudson.com

A HAVEN ON THE HUDSON



1400
HUDSON STREET

AT HUDSON TEA

Luxury Condominiums in Hoboken's North End
Immediate Occupancy | Private Rooftop Terraces Available
1- to 3-Bedrooms from the \$900,000s

1400hudson.com

Sales Office: 1450 Washington Street | Hoboken, New Jersey 07030 | 201.795.1960

JERSEY CITY LIVING
AT ITS FINEST

Located just steps from the Grove Street PATH station

Studio- to 3-Bedroom Condominiums
from the \$500,000s

10 PROVOST
STREET

AT PROVOST SQUARE

Visit Our Sales Gallery: 160 Morgan Street, Suite 4, Jersey City, NJ 07302 | 201.350.5944

10Provost.com

Special Advertising Feature

NEW JERSEY GOLD COAST PROPERTIES

Jersey City, Hoboken, Weehawken Waterfront Are Growing Up

EXPANSION AND GENTRIFICATION ARE HELPING TO BOOST BUYER APPEAL

By Joseph Dobrian

The major markets of New Jersey's Gold Coast—Jersey City, the Weehawken area, and Hoboken—have been popular alternatives to Manhattan and Brooklyn for generations, although they have lacked the fashionability of the latter two markets. Nowadays, though, both buyers and renters are more willing to forgo the cachet of a New York address, in exchange for the affordable modern luxury and resort-level amenities to be found right across the Hudson River.

The Gold Coast offers newer product, with a compelling mix of indoor and outdoor amenities—and Manhattan will still be there, easier than ever to get to from New Jersey. Developers and residents agree: "Jersey" is all grown up.

Gabe Pasquale, senior vice president of sales and marketing for Landsea Homes, reports that his company's Avora project, on the Weehawken waterfront, is nearly complete. The final amenities are being put into place, and the first homeowners will move in at the end of April.

MIX OF HOMES

"As of now, we've sold 40% of the 183 homes," he says, "and we're releasing the balance, of which about 40% are sold. We still have a great mix of homes to choose from: several locations with unparalleled views of the Midtown skyline and the Hudson River to the north, east and south. In my opinion, we have best location of any housing on the Gold Coast. We're steps from the ferry and light rail; New Jersey Transit buses literally stop at the front door."

The one-, two-, and three-bedroom residences at Avora feature LEED-standard structure, a sundeck with pool, lounges, fitness center, 24-hour concierge, dining room, boardroom, private screening theater, exclusive lounge with bar and catering kitchen, on-site bike storage and on-site parking. The Port Imperial neighborhood offers plentiful shopping, dining and recreation.

Craig Klingensmith, Northeast Urban division president for Lennar Corporation, is currently promoting two developments located right on the waterfront at the Port Imperial master-planned community in Weehawken: The Avenue Collection and Henley on Hudson.

He notes that Weehawken Township has recently lowered its property taxes by

LANDSEA HOMES



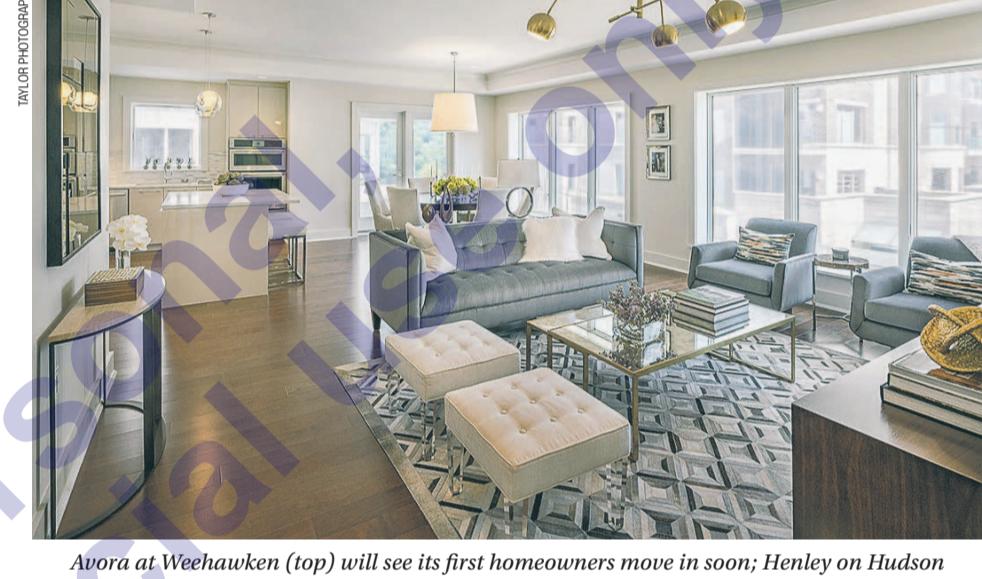
about one-third—to 1.49% from 2.23%—making it one of the lowest rates along the Gold Coast. The expansion of the public park has been approved, and amenities are expanding, including a new hotel at the ferry terminal, to be completed this year.

"The 1200 Avenue at Port Imperial is the latest phase of our Avenue Collection, and it still has 15 unsold residences," he says. "The most recent phase of Henley on Hudson has 67 homes, [with] over 60% of them sold. These are just about the final products to be developed along the waterfront: there's very little vacant land left."

RESORT-STYLE POOL

Amenities at Henley on Hudson include a yoga/Pilates room, theater room, billiards and gaming lounge, fitness center, and an outdoor patio with fire pit and a resort-style infinity swimming pool. Prices for the remaining homes start at \$875,000. Floor plans range from 1,165 to 1,998 square feet. Most units offer balconies or terraces, and all have home automation systems that let residents control and automate their lighting, HVAC, and entertainment systems.

The second building of Lennar's Avenue Collection 1200 Avenue at Port Imperial is the follow-up to the sold-out 1000 Avenue at Port Imperial. It features 103 two- and three-bedroom condos, starting at \$1.399 million, with immediate occupancy available. All homes feature



Avora at Weehawken (top) will see its first homeowners move in soon; Henley on Hudson (above) is another new luxury waterfront residential development on the Gold Coast.

designer finishes and appointments such as Brazilian Chestnut hardwood flooring, gourmet kitchens, and fireplaces with granite surround. Most of the homes offer private outdoor space of up to 484 square feet.

"These properties have played an integral role in establishing the Weehawken waterfront as a refined residential destination," Mr. Klingensmith concludes.

Art Johnson, vice president of Liberty Harbor North, which is developing the Gulls Cove condo project in downtown Jersey City, reports that construction is complete save for the 3,500-square-foot amenities center, which should be finished in the next couple of months.

"IT'S LIKE LIVING IN A TRADITIONAL BROWNSTONE IN JERSEY CITY—ONLY WITH PARKING, A FITNESS CENTER AND A CONCIERGE."

"The majority of the space is a community room with a big gas fireplace, for socializing," he says. "One room could be a louder cocktail party area; another space could be a quieter area for reading; another section has bowling alleys and shuffleboard. We have a separate room for children, with cameras so that parents can supervise via their phones."

"Another area is a fitness center: not full-scale, but with areas for yoga and meditation. There's a second fitness center in the building already, and it's one of our most important amenities."

Mr. Johnson says that of the 429 units built in Gulls Cove's two phases, only 21 of them remain available. "We still have a few studios, three two-bedroom properties, two one-bedrooms, and some awesome duplex and triplex brownstone-style units."

"It's like living in a traditional brownstone in Jersey City—only with parking, a fitness center, concierge and other amenities. The duplexes have private street entrances, and the triplexes have

private parking spaces in an enclosed garage with direct access to the homes."

"Jersey City is seeing tremendous growth. Journal Square is exploding; the west side of Jersey City is gaining popularity, so are the Heights. Our mayor, in his first term, restructured the tax abatements, taking them away from the waterfront, which didn't need them as badly, and redistributing them farther west where we want to encourage development."

DOWNTOWN PROJECT

Another major project in downtown Jersey City is Vantage Jersey City, developed by The Fisher Organization. Vantage offers 448 luxury rental units—studios, one- and two-bedrooms, starting in the low \$2,000s per month—plus a complete package of premium indoor and outdoor amenities and views of the Statue of Liberty, Liberty Harbor Marina, and Manhattan.

Vantage is a 45-story building that boasts floor-to-ceiling windows, zero-entry swimming pool, sky lounge, full-size basketball court, dog run, and complete modern health club. It's adjacent to Jersey City's Paulus Hook and Van Vorst Park, convenient to the Grove Street PATH station, Light Rail service and New York Waterway ferries.

Individual units feature floor-to-ceiling windows, nine-foot ceilings, oak strip flooring, recessed LED lighting, washer and dryer units in each home, and the most up-to-date, energy-efficient building systems for maximum comfort and sustainability.

Hoboken retains some of its high-spirited, ethnic, working-class atmosphere, plus many traditional festivals, but a wave of luxury housing—new product and refurbished older buildings—has turned the city into a more upscale experience of late.

Hoboken is walkable (many residents don't bother to own a car) and good food and entertainment are the city's lifeblood. The grassy Pier A park, and the waterfront walkway at Maxwell Place Park, are popular outdoor destinations.

Joseph Dobrian is a freelance writer specializing in real estate.

1200 AVENUE AT PORT IMPERIAL AND HENLEY ON HUDSON DRAWING BUYERS TO THE WEEHAWKEN WATERFRONT



Weehawken Township on the Hudson River waterfront continues to differentiate itself from neighboring Gold Coast locations. Benefiting from a low-density approach to development, significant open space and dramatic views, the area provides a quieter, more residential setting than its urban counterparts—all while still offering commuter convenience to Manhattan.

With the property tax rate recently reduced to 1.49% and an expansion of the waterfront's recreational amenities getting underway, the news keeps getting better, especially for residents of Weehawken's two new signature condominium developments, Lennar's 1200 Avenue at Port Imperial and Henley on Hudson.

1200 Avenue at Port Imperial features 103 two- and three-bedroom

condominiums priced from \$1.399 million, with immediate occupancy available. Amenities include a grand salon lobby, screening room, children's playroom, state-of-the-art fitness center and a Skyline Social Room. Outside, a landscaped plaza offers a sun shelf swimming pool, catering bar, multiple seating areas and a fire pit.

At the 201-home Henley on Hudson, remaining residences are priced from \$875,000 and feature one-, two- and three-bedroom floorplans. Most of the single-level designs offer balconies or terraces. Amenities include a lobby lounge, children's playroom, fitness center, theater room, billiards and gaming lounge and a resort-style infinity pool.

Both communities are close to NY Waterway's ferry service to Manhattan, as well as NJ Transit's Hudson-Bergen Light Rail which connects Port Imperial to neighboring Hoboken, Jersey City and the PATH system.

www.TheAvenueCollectionNJ.com
www.HenleyonHudson.com
(201) 210-0099



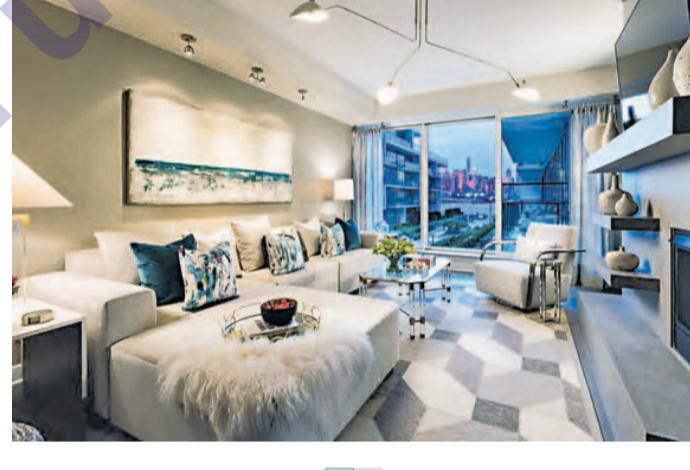
HENLEY ON HUDSON



THE AVENUE COLLECTION
WEEHAWKEN

ONE BREATHTAKING VIEW, TWO LENNAR® ADDRESSES.

THE NEW STANDARD
IN WATERFRONT LIVING.



THE AVENUE COLLECTION

The Avenue Collection features waterfront luxury condominiums with breathtaking Manhattan views. Welcome to the new standard in design, amenities, and lifestyle, just minutes from New York City.

Homes from \$1.399M

201.210.0099

THEAVENUECOLLECTIONNJ.COM



HENLEY ON HUDSON

Henley on Hudson offers an unprecedented lifestyle along NJ's Gold Coast. Each new condominium home is a space of exquisite luxury and functionality.

Homes from \$875,000

201.210.0099

HENLEYONHUDSON.COM



WELCOME HOME CENTER 1600 Avenue at Port Imperial Weehawken, NJ 07086 201.210.0099

LENNAR®



Price subject to change without notice. Visit Lennar.com or see a New Home Consultant for further details. Plans and elevations are artist's renderings and may contain options which are not standard on all models. Proposed amenities for the communities are subject to change, substitutions and/or deletions without notice. Actual view may vary. Views cannot be relied upon as being the actual view from any particular home within the community. Any view from a home may in the future be limited or eliminated. Lennar makes no guarantees regarding continuing existence of any view from a home. Lennar reserves the right to make changes to plans and elevations without prior notice. Lennar Sales Corp. - Broker. Copyright © 2018 Lennar Corporation ®. Lennar and the Lennar Logo are registered service marks of Lennar Corporation ® and/or its subsidiaries. 3/18.

Our trucks get more smileage.

RESCUING
FOOD FOR
NEW YORK'S
HUNGRY
CITY HARVEST ch

Help us feed NYC at
CityHarvest.org



NEW YORK
#CTYHRVST
EMPIRE STATE

MANSION

*I TINKERED WITH MY PERSONALITY**Continued from page M1*

with other children, I'd tinker with it for the next playground. It was all about survival and adapting.

If my father was earth, my mother, Jini, was water and air. She was a novelist and painter who worked at home. I had a huge connection with her. She shaped my artistic side. She had a large collection of used books and was a wonderful storyteller. She also was witty and sharp.

When it came to the arts, my mother made sure we understood that expression had to be coupled with hard work and discipline. She knew each of us had potential, but she wanted us to know it would take a lifetime of aptitude to master it. Her favorite expression was, "You've got to get your guts into it."

No matter where we lived in the 1970s and early '80s, we always wound up in a rural landscape. The houses I loved most were in Cork, Kilkenny and Bantry Bay in Ireland, and in Wiltshire, England. In Bantry Bay, I still remember walking with my twin brother, Jake, to the pebbled beach to watch the seals and jellyfish. I also remember living next to Wardour, a castle in Wiltshire. I'd climb over the high walls to avoid paying admission. Then I'd let my imagination run as I explored the turrets and dungeons.

I also loved being at home, listening to the family noise at the kitchen table. Hearing the stories told by my older brothers and sisters each day about their lives and struggles was a revelation.

It's a miracle that all the moving never resulted in family stress. Just the opposite happened. We knew what our parents were dealing with, but we were mostly reminded of how much they loved us. They also were big on discipline. There were lines I'd never cross with my father. If I did, I learned quickly never to do it again.

Through it all, my mother published five novels, and her paintings were exhibited in galleries during our travels. I still cannot



(CF-B) GEORGE KRAVCHYK/HILL; HENNES FAMILY



imagine how she managed all of this given the chaos.

When my father was 40, he became a remarkable photographer. Within 10 years, in the '80s, the

National Gallery of Art in Washington, D.C., commissioned him to produce images of British estates for an exhibit.

One day, when I was 7, I went

UP CLOSE Joseph Fiennes and Elisabeth Moss, above, in 'The Handmaid's Tale.' Left, Joseph, from left, with his twin, Jake, and siblings, Sophie, Magnus, Martha and Ralph (who also became an actor), in Motcombe, England, in 1972.

upstairs to the bathroom that doubled as his darkroom. The red light was on so I waited. When the light went off, out he came with his prints. He had shaved off his enormous beard. I ran off, since I didn't recognize him.

My father also was passionate about film. He had an amazing archive of early-American cinema. On special nights, we'd gather around the projector to watch movies.

Looking back, my entire childhood was a preparation for what I do now. As an actor, you have to fit into a new environment and find your place. Your personality has to change to adapt to a role.

Today, my wife, Maria, and I live with our two daughters on the Spanish island of Mallorca. Our

house has a 360-degree view of nearby mountains, woods and valleys. There's nothing but us and a monumental number of goats who eat everything in our garden. It's idyllic and quiet.

The room that's most special to me is where our second daughter, Isabel, was born in 2011. It was magical to have been at her birth on a bright sunny morning on top of a mountain.

I love my study, too. It's where I keep my father's Swiss watch. It has a simple face, and it kept him on schedule over the years. I also have some of my mother's notebooks. I love reading her written thoughts and looking over her sketches. But I most treasure one of her writing pens. It was an extension of her soul.



Alpine, NJ

A rare opportunity. First time on market. Situated prominently on a 6 acre knoll, this turn-key estate comes loaded with every detail. Impressive gated tree-lined driveway leads to this stunning Georgian Colonial Manor located only 8 miles from NYC. This magnificent estate features approx. 35,000 sq ft of grand living space featuring 11 Bedroom Suites, 18 Bathrooms, Great Room, Conservatory, Library, Banquet Size Dining Room, Chef's kitchen, Indoor Basketball Court, Movie Theater, Game Room and 8 car garage. Additional amenities include a safe room and Guest House. A park-like backyard showcases a resort caliber Pool, spa, lighted Tennis Court, service driveway from a side street, and paved bike riding path. Additional acreage available. An extraordinary offering at \$25,000,000.

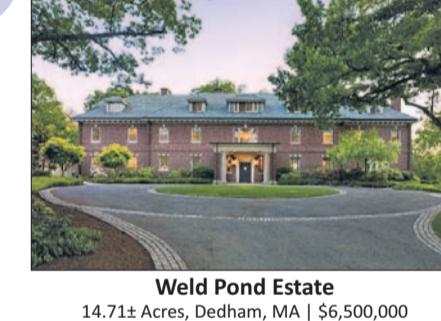
Dennis McCormack,
Broker Associate
917-566-9800

Prominent
Properties

Sotheby's
INTERNATIONAL REALTY

Alpine Office: 201-768-9300
1022 Closter Dock Road, Alpine, NJ 07620

LandVest® LUXURY PROPERTIES | TIMBERLAND | CONSULTING



Weld Pond Estate
14.71± Acres, Dedham, MA | \$6,500,000
John "Jay" Boyle
617-648-5444 • jboyle@landvest.com



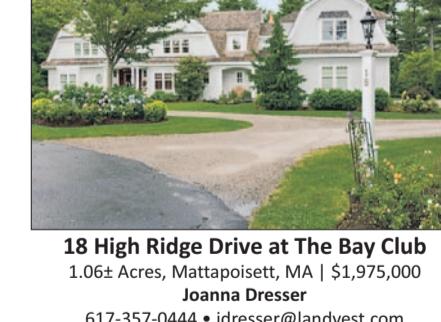
Journey's End
.81± Acres, Northeast Harbor, ME | \$4,900,000
Story Litchfield
207-276-3840 • slitchfield@landvest.com



Mussel Point Oceanfront
1.48± Acres, Gloucester, MA | \$3,950,000
Lanse Robb
617-357-8996 • irob@landvest.com



Turkey Point
58.87± Acres, St. George, ME | \$2,250,000
Karen N. Reiche
207-874-6159 • kreiche@landvest.com



18 High Ridge Drive at The Bay Club
1.06± Acres, Mattapoisett, MA | \$1,975,000
Joanna Dresser
617-357-0444 • jdresser@landvest.com



Undercliff Cottage
4.06± Acres, Camden, ME | \$1,575,000
Terry Sortwell
207-236-3543 • tsortwell@landvest.com



5 Lexington Road
.27± Acres, Concord, MA | \$1,550,000
Abby Gural White
617-851-0195 • awhite@landvest.com



Purple Kings Farm
15.76± Acres, Williamstown, MA | \$1,500,000
Cindy Welch
413-329-3999 • cwelch@landvest.com

Sound Advice, Exceptional Results

www.landvest.com

MANSION

HIGH-TECH PLAYA VISTA



GROWING FAMILY Meredith Schlosser, above left with fiancée Randi Wishnow and son Asher, in their \$2.4 million home in Playa Vista, right and below. Ms. Schlosser owns another unit with Ms. Wishnow and Ms. Wishnow's parents.



Continued from page M1

and Alphabet's YouTube are already there; Facebook leases a 50,000-square-foot space across the street, the company said.

Between 5,000 to 6,000 people work at Playa Vista today—a number that is expected to double in the next few years, said Adrian Foley, president and chief operating officer of Brookfield Residential, the company that is implementing the master plan.

Playa Vista sits roughly between the oceanside neighborhood of Marina del Rey and Culver City. Immediately to the west of the community are the Ballona Wetlands, a 600-acre preserve visited by hundreds of species of birds, including Great Blue Herons, ducks and egrets. The development backs up to the Westchester Bluffs, giving some residents a grassy hillside view.

The community includes a dense collection of modern buildings and houses; 29 parklike areas; two outdoor concert areas and three areas with retail and restaurants. The newest shopping area, called Runway, has a Whole Foods Market, a multiplex movie theater, 11 restaurants and about 15 retail outlets, including places to take Pilates, yoga and spinning classes.

Home values are on the rise. Randy Schwab, a 54-year-old chief executive of a nonprofit and his wife, Laurie Dworsky, a 56-year-old graphic designer, were planning on selling their Playa Vista four-bedroom unit—until they learned how much it could generate in rent.

So instead of selling, the couple bought another unit for \$1.95 million in 2016 to live in and were able to rent their \$1.45 million condo for a handsome \$9,000 a month to NBA player Jamal Craw-



MICHAI CZERWONKA FOR THE WALL STREET JOURNAL (3)

ford. At the time, he played for the Clippers, which has a training facility on the Playa Vista grounds. After Mr. Crawford moved out in August, the couple was able to rent the unit to another person for \$8,500 a month, Mr. Schwab said.

In 2003, then-law student Marc Bauer bought a two-bedroom condo for roughly \$530,000.

Today, Mr. Bauer is a 38-year-old municipal-bond attorney with a wife, Lacey, and a child on the way. His unit would likely sell for

about \$1.1 million, said Tami Humphrey, an agent with Palm Realty Boutique who lives in Playa Vista and has sold 115 homes there.

For decades, Playa Vista was known for two things: Howard Hughes and red tape. The 460-acre plot where the billionaire once housed his aviation firm sat unused for decades, as various developers struggled with environmental concerns and bureaucracy.

In 2012, Brookfield Residential bought the area's master plan for

\$265 million. Brookfield predicted that tech companies would run out of space to expand in other parts of Los Angeles due to lack of space, building restrictions and high prices and turn to Playa Vista, said Mr. Foley. Today, the term "Silicon Beach," originally referencing Santa Monica and Venice to indicate a Southern California outpost of Silicon Valley, also includes Playa Vista. Currently, the Google office is being built within the "Spruce Goose" airplane han-

gar where Mr. Hughes built his wooden airbus, said Mr. Foley.

To sell to luxury buyers unfamiliar with the development, Brookfield contracted Beverly Hills luxury brokerage Hilton & Hyland to market its highest-end product: 14 approximately 4,500-square-foot single-family homes; three are currently on the market for between \$4 million and \$4.89 million. Under construction are 66 single family homes asking between \$2 million and just over

CONCIERGE AUCTIONS

AUCTION

BIDDING OPENS MAY 15 | BIDDING ENDS MAY 18

Casa Serena, María Trinidad Sánchez, Dominican Republic
Currently \$1.7M | Selling Without Reserve
Showings Daily 1-4PM & by Appointment

Listed by Sabine A. Mertes-Urbahn of Select Caribbean Properties

CONCIERGEAUCTIONS.COM | 212.603.9622

COLDWELL BANKER | **GLOBAL LUXURY**

GREENWICH, CONNECTICUT | \$10,750,000

New Price Improvement. Endless Water Views! Truly spectacular, oversized 2.5 acre waterfront property, owned & cherished by one family for 43 years. Magical views of the harbor, Tod's Point & Long Island Sound from carpet-like lawns with 280 feet of shoreline, sweeping terraces, pool, tennis court & floating dock. Beautifully maintained center hall Colonial oriented to capture breathtaking water views from most rooms, including 6 bedrooms. Oval marble floor reception hall with 3-story staircase leads by way of paneled doorways to elegant living room with fireplace & formal dining room. Exciting great room, step down family room off kitchen & library each with inviting fireplaces. French doors lead directly to outdoor living spaces. Additional one-car garage & guest house.

COLDWELLBANKERLUXURY.COM

COLDWELL BANKER RESIDENTIAL BROKERAGE

Tamar Lurie 203.622.0245

WSJwine
THE WALL STREET JOURNAL.

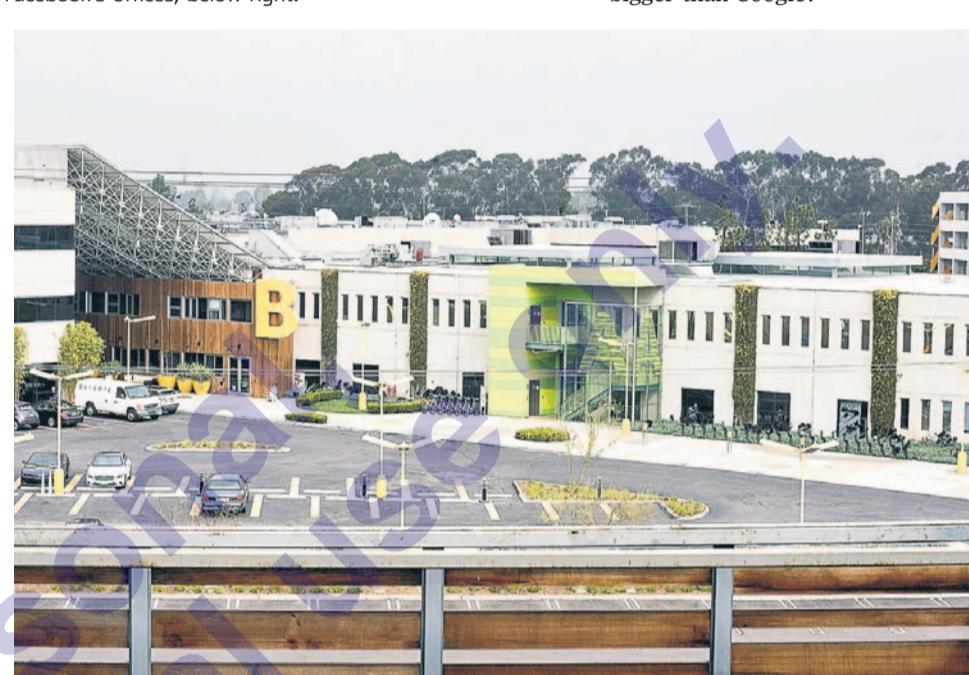
SAVE \$165
ON 15 WORLD-CLASS WINES

Discover more at
wsjwine.com/now

MANSION



WELCOME TO SILICON BEACH The term 'Silicon Beach,' originally referencing Santa Monica and Venice to indicate a Southern California outpost of Silicon Valley, also includes Playa Vista. A farmer's market in a shopping area, above; a turf dog park, below left; Facebook's offices, below right.



\$3 million; these will be up to 3,600 square feet and equipped with the Apple HomeKit, which allows lighting, locks and the thermostat to be controlled by an iPhone.

The lowest-priced new construction condo is \$1.1 million, said Mr. Foley. Rentals start at \$3,200-a-month for a one-bedroom. At completion in 2020, Playa Vista plans to have 6,046 units of housing, ranging from rental apartments to large, for-sale houses, and roughly 12,000 residents, said Mr. Foley.

Right after Meredith Schlosser closed on a \$2.44 million model home in Playa Vista she started "freaking out," she said. The 33-year-old real-estate agent said it shook her confidence when colleagues in Beverly Hills asked incredulously, "What is Playa Vista?" When she drove by her home, dirt and tractors surrounded it, she said.

Today, Ms. Schlosser lives in the Playa Vista home and owns a second unit with her fiancée and fiancée's parents. They bought it for \$2.1 million and rent it for \$8,200 a month. She also sells property within the community as a real-estate agent. Other agents no longer scratch their heads over her choice, she said.

"Now it is like the coolest thing," said Ms. Schlosser. "What's bigger than Google?"

D/DNA
DATA / NEWS / ANALYTICS

Byte-Sized Insight

When it comes to yielding business insights,
deeper is better.

The Dow Jones DNA data integration platform lets you access a 30-year-deep archive of news data from more than 8,000 premium, fully licensed sources. So you can bridge gaps between your organization's internal perspective and the external events that drive your business.

Discover contextual news and data at scale.
Visit dowjones.com/byte-sized



DOW JONES

©2018 Dow Jones & Company, Inc. All rights reserved.

ADVERTISEMENT

**JOHN'S ISLAND - VERO BEACH, FLORIDA**

Located where the "tropics begin" sits one of the most renowned seaside communities on the eastern seaboard with 3 miles of pristine beach, 3 championship golf courses, 17 Har-tru tennis courts, pickleball, squash & Beach Club. This luxuriously renovated 3BR retreat offers 3,884± GSF, custom finishes, walnut floors, pool, cabana w/office and 2-car garage.

\$3,150,000 JohnsIslandRealEstate.com

John's Island Real Estate Company
phone: 772.231.0900 wj@johnsislandrealestate.com

**NAPLES, FLORIDA**

Live the lifestyle of your dreams in Naples, Florida! Gorgeous single-family residences up to 4,879 s/c sq. ft. Amazing six-acre recreation area with 13,000 sq. ft. clubhouse, resort pool, fitness, tennis, indoor sports court and much more – all included in low HOA fees. This is an incredible opportunity in a great Naples, Florida location – call today!

From the \$400's to the \$800's glhomes.com/StoneCreek

GL Homes
phone: 800.281.9239

**CLE ELUM, WASHINGTON**

Just 80 miles east of Seattle is Suncadia, a sunny mountainside playground and the city's backyard escape. Perched on a hilltop with panoramic views, this 5 bed/5.5 bath, 4,283 sq ft home features a fireplace, vaulted ceilings and designer touches. Nearby are hike and bike trails leading into the forest, a new swim facility and other amenities.

\$1,500,000 suncadiablisting.com

Suncadia Real Estate Company
Jeff Rau
phone: 509.649.6110 email: jrau@suncadia.com

**KIAWAH ISLAND, SOUTH CAROLINA**

Featuring 200 feet of Atlantic Ocean frontage, this 10,500-sq-ft home is ideal for entertaining, with wide piazzas, a summer kitchen, beachside pool, and private boardwalk to the beach. A spectacular two-story window wall frames sea views in the great room, and the expansive chef's kitchen is perfect for gathering. The master suite fills the second-floor east wing. A Kiawah Island Club Membership is available.

\$22,000,000 kiawahisland.com/133-flyway

**DOWNTOWN ST. PETERSBURG FLORIDA**

Live a fabulous Urban Lifestyle in vibrant downtown St. Petersburg. 3 blocks from the water, artfully designed townhomes now under construction on a private, gated lane. Totaling 2,335 sq. ft., 3 bedrooms, 3 ½ baths, 2 car garage, private elevator, and amazing rooftop terrace. Low HOA fees. Walking distance to world-class restaurants, museums, shopping, parks, marina, and Tampa Bay.

From the \$800's to \$900's www.RegentLane.com

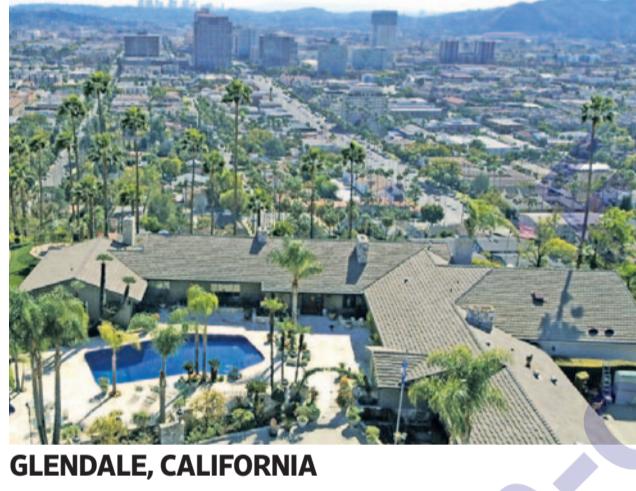
**SOUTHWEST IRELAND**

Situated on approx. 25 acres, adjacent to the Kenmare River, majestic mountain views and gardens, access to the Sneem/Kenmare Rivers and Ocean dividing Kerry and Cork. This newly restored home can accommodate 8-10 people. Approx. 1 mile from Sneem village. Nearby to the Great Southern Parknasilla Hotel & Golf Course, 6 miles from Casey Cove Beach, 15 miles from Waterville Golf Club, a short drive to Kenmare and Killarney. **Short & long-term rentals** www.oysterbedpier.com

Kiawah Island Real Estate
phone: 866.312.1780 info@kiawahisland.com

NJR Property Investments LLC
phone: 727.515.5556 email: natalie@njrdevelopment.com

Drimnamore House
phone: 617.357.1712

**GLENDALE, CALIFORNIA**

PRIVATE GATED VIEW ESTATE IN GLENDALE Site: 43,600 - 5,934 Home + 550 Guest House + 735 Heated Auto Enclosed BBQ. Total living space: 7,219 SF. 5 Garages, 1,230 SF , 5 closets, 22 cabinets 22 Car Parking Court, Pool, Spa, Gated Camera Security 4 Bedrooms, 5 Baths, 21 X 24 Catering Kitchen, Three Way View and Privacy. 2008 new granite 29 X 25 gourmet kitchen.

\$5,250,000

Fran Buchanan
phone: 818.621.5244

**SAN ANTONIO, TEXAS**

Urban Brownstones in the Heart of the City – This limited collection of 3-story townhomes provides residents walkable access to the culture & entertainment of San Antonio's most popular neighborhood. Community features include 3-4 bedroom floorplans, rooftop decks, attached garages, private yards, premium appliances & an upscale, modern finish-out.

From the \$500s SOJOCCommons.com

SOJO Commons
Erin Faith
phone: 210.672.1267 Erin@SOJOCCommons.com

**CHARLOTTESVILLE, VIRGINIA**

This 5,400 square foot brick Georgian sits on 25 wooded acres in the shadow of Monticello. The modern, energy efficient home boasts 5 bedrooms, including a ground floor master; 4 1/2 baths, a spacious bonus room with kitchen access, and grand entertaining spaces. Community amenities include optional estate maintenance and preferred access to the Tasting Room & Taphouse at Mount Ida Reserve.

\$925,000 www.BlenheimFarmManor.com

The Farms of Turkey Run at Mount Ida Reserve
phone: 434.566.5562 info@turkeyruncville.com

**NAPLES, FLORIDA**

New Luxury Single-Family, Villa and Coach Homes at The Isles of Collier Preserve! Over half the 2,400 acres are dedicated to lakes, nature preserves and natural habitat. The Isles Club is now open and features a clubhouse, fitness center, resort-style pool, lap pool, yoga lawn, tennis and pickleball courts, kayak launch and 8 miles of scenic kayak, hiking and biking trails! 5 Mins. from Downtown Naples and the Gulf beaches.

From the mid \$300s to over \$1.5 million MintoUSA.com

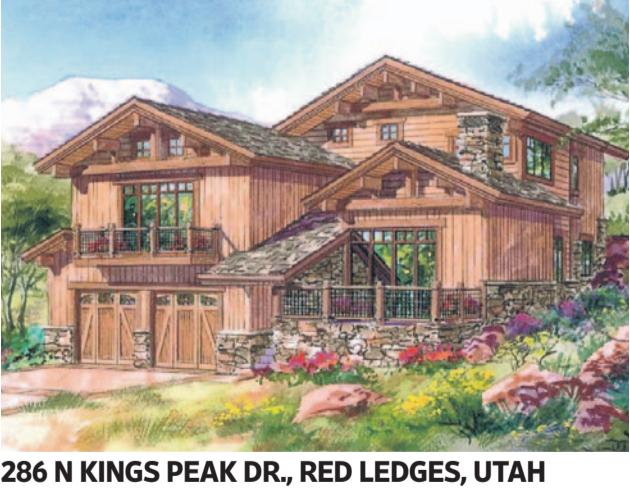
Minto Communities
phone: 888.483.8708

**CAPE MAY, NEW JERSEY**

A beautiful beach town on the southern tip of New Jersey. Known for year round activity, history, architecture and the arts. Gorgeous ocean beaches, world class restaurants, safe and relaxing! Master Green Builder Classic Coastal Contractors has built this 5 bedroom, 5 ½ bath fabulous new home, fully furnished and beautifully appointed to start enjoying immediately.

\$1,975,000 www.1136capemayave.com

Russell Real Estate
Kim Russell - Broker/Owner
phone: 609.884.8333 kim@classic-coastal.com

**286 N KINGS PEAK DR., RED LEDGES, UTAH**

This 3,269sf 3 BR cottage with mountain views is Ideal Living magazine's national "Ideal Home" for Fall 2018. It's under construction – customize it to make it ideal for you! As the most successful private community in the Park City area, Red Ledges offers serious outdoor fun (Best New Private Course, GOLF Magazine) an easy drive from SLC's hub airport.

\$1,265,000 www.RedLedges.com

Red Ledges Realty
phone: 877.733.5334 info@RedLedges.com

To Advertise Call: 800-366-3975

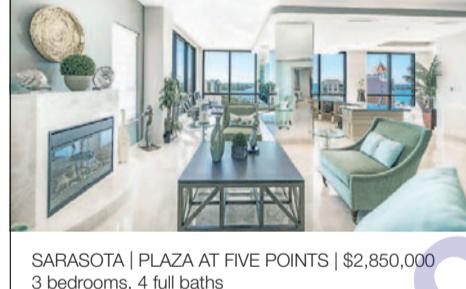


GLOBAL LUXURY®

Boca Raton | 7 bedrooms, 8 full and 2 half baths | \$13,995,000
Represented by: Jonathan Postma 561.447.3229 | Search RX-10412612 on coldwellbankerluxury.com

MARKETING YOUR PROPERTY WORLDWIDE

Sophistication and style know no boundaries. Coldwell Banker Global Luxury® will use a comprehensive internet reach and global office network in 49 countries and territories to market your home directly to affluent buyers worldwide. For an extraordinary marketing approach that delivers outstanding results, contact us today.

MIAMI | MIAMI BEACH | \$7,750,000
7 bedrooms, 9 full and 2 half bathsRepresented by: "The Jills" J. Eber/J. Hertzberg
O. 305.672.6300
Search A10436562 on coldwellbankerluxury.comWINTER PARK | WINDSONG ESTATES | \$6,745,000
6 bedrooms, 7 full and 2 half bathsRepresented by: Mick Night & John Pinel
O. 407.647.1211
Search O5496008 on coldwellbankerluxury.comKEY BISCAYNE | OCEANA RESIDENCES | \$6,600,000
7 bedrooms, 5 full and 1 half bathsRepresented by: Joan McCaughan Team
O. 305.361.5722
Search A10420524 on coldwellbankerluxury.comTAMPA | CULBREATH ISLES | \$5,695,000
5 bedrooms, 5 full and 1 half bathsRepresented by: Hughes Shelton Realtors
O. 813.286.6563
Search T2933289 on coldwellbankerluxury.comSARASOTA | LIGHTHOUSE POINT | \$5,500,000
4 bedrooms, 6 full and 1 half bathsRepresented by: Judy Kepecz-Hays
O. 941.383.6411
Search A4213438 on coldwellbankerluxury.comFORT LAUDERDALE | CORAL RIDGE | \$4,950,000
5 bedrooms, 5 full and 2 half bathsRepresented by: Timothy Singer
O. 954.527.5900
Search F10112690 on coldwellbankerluxury.comMARCO ISLAND | MARCO BEACH | \$3,399,000
4 bedrooms, 6 full and 2 half bathsRepresented by: Sherry Santucci and Joseph Ring
O. 239.263.3300
Search 217079372 on coldwellbankerluxury.comNAPLES | QUAIL WEST | \$3,300,000
5 bedrooms, 5 full and 1 half bathsRepresented by: Soller-Brown Team
O. 239.262.7131
Search 218019685 on coldwellbankerluxury.comSARASOTA | PLAZA AT FIVE POINTS | \$2,850,000
3 bedrooms, 4 full bathsRepresented by: Andree Huffine
O. 941.366.8070
Search A4212447 on coldwellbankerluxury.comST. PETERSBURG | TIERRA VERDE | \$2,800,000
4 bedrooms, 5 full and 1 half bathsRepresented by: Tammy Campbell Plummer
O. 727.360.6927
Search U7846557 on coldwellbankerluxury.comCLEARWATER BEACH | BAYSIDE | \$1,995,000
5 bedrooms, 4 full bathsRepresented by: Michelle Chenault
O. 727.443.3320
Search U7850278 on coldwellbankerluxury.comWEST PALM BEACH | EDGEWATER | \$1,675,000
3 bedrooms, 2 full and 1 half bathsRepresented by: Bruce Lang
O. 561.622.5000
Search RX-10415006 on coldwellbankerluxury.comWINTERMERE | RESERVE AT BELMERE | \$1,600,000
6 bedrooms, 7 full bathsRepresented by: Brigitte Elzarki
O. 407.352.1040
Search O5567100 on coldwellbankerluxury.comBOCA RATON | OLD FLORESTA | \$1,595,000
5 bedrooms, 3 full and 1 half bathsRepresented by: Polly Schiff and Jim Condo
O. 561.447.3229
Search RX-10408332 on coldwellbankerluxury.comDESTIN | OCEANIA CONDO | \$1,449,000
3 bedrooms, 3 full bathsRepresented by: Deborah Horst and John Cook
O. 850.650.4563
Search 794511 on coldwellbankerluxury.comBAKER | ESCAMBIA FARMS | \$1,300,000
5 bedrooms, 3 full and 1 half bathsRepresented by: Tarah Chastain
O. 850.736.8050
Search 532907 on coldwellbankerluxury.comLAKE WALES | MOUNTAIN LAKE | \$1,300,000
4 bedrooms, 3 full and 2 half bathsRepresented by: Erin Floyd
O. 863.294.7541
Search P4719580 on coldwellbankerluxury.comPINELAS PARK | BAYOU CLUB ESTATES | \$1,300,000
4 bedrooms, 5 full and 1 half bathsRepresented by: Donna Miller and Michael Eskildsen
O. 727.381.2345
Search U7850145 on coldwellbankerluxury.comPARKLAND | PARKLAND GOLF CLUB | \$1,249,000
5 bedrooms, 4 full and 1 half bathsRepresented by: Tim Schirripa
O. 954.753.2200
Search F10111929 on coldwellbankerluxury.comLONGWOOD | ALAQUA LAKES | \$1,195,000
6 bedrooms, 5 full and 1 half bathsRepresented by: Frank Benevento
O. 407.333.8088
Search O5569106 on coldwellbankerluxury.com

MANSION

RELATIVE VALUES | STACEY ALTHERR

LUXURY HOMES FOR SALE IN HAWAII

Three properties on the islands of the Hawaiian archipelago; an infinity pool overlooking the sea, a waterfall, private access to sandy beaches

**\$6.999 million**

Maui

Four bedrooms, three bathrooms, one half-bath

This 3,511-square-foot house combines indoor and outdoor living with large panels of sliding glass doors in both the living areas and bedrooms, with indoor/outdoor marble-floor lanais that lead to a 52-foot infinity-edge pool overlooking the beach. The home, built in 2012, was substantially upgraded in 2017.

Agent: Terry Alling, Coldwell Banker Island Properties

**\$18 million**

Kauai

Four bedrooms, four bathrooms

The 4,458-square-foot home is set on nearly 22 acres on the North Shore of the island. It features a secluded path that winds past a waterfall and native-species flora to 2,238 feet of oceanfront and its own sandy beach. Bedrooms and living areas face the ocean from a perch above the sea.

Agent: Neal Norman, Hawaii Life Real Estate Brokers

**\$17.25 million**

Honolulu

Five bedrooms, five bathrooms, one half-bath

This 4,988-square-foot beachfront home, renovated in 2017, has more than 92 feet of oceanfront and is walking distance from Waikiki Beach. The living room has 20-foot ceilings and floor-to-ceiling pocket sliding doors leading to a heated pool and landscaped lawn with stairs leading to the beach. Private gated entry.

Agent: Anne Hogan Perry, Coldwell Banker

ADVERTISEMENT

Distinctive Properties

To advertise: email sales.realestate@wsj.com or WSJ.com/classifieds
**WASHINGTON
FINE PROPERTIES**

WFP.COM

202.944.5000



MASSAVE HIGHTS, WASHINGTON, DC
Once-in-a-lifetime! iconic 1930 French Normandy style home with 2 additional lots sublimely set on 1 acre +/- \$11,200,000

Jeff Mauer 202-487-5460



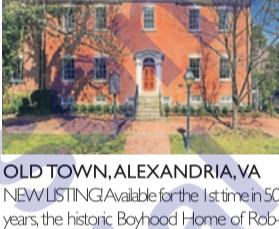
MASSAVE HIGHTS, WASHINGTON, DC
Breathtaking contemporary w/ over 10,000 SF designed by Marshall Moya. 4/5BR, 6.5BA, pool, 8-car gar. \$10,750,000

Marilyn Charity 202-427-7553



WESLEY HEIGHTS, WASHINGTON, DC
NEW LISTING! Incredible renovated home w/ 12,000+ SF living on majestic ½ acre corner lot w/ pool & pool house. \$9,995,000

Robert Hryniwicki 202-243-1620



OLD TOWN, ALEXANDRIA, VA
NEW LISTING! Available for the 1st time in 50 years, the historic Boyhood Home of Robert E. Lee. 8,000+ SF on ½ acre. \$8,500,000

Robert Hryniwicki 202-243-1620



KENT, WASHINGTON, DC
Private 10,000 SF Mediterranean-style estate on almost an acre. 6/7BR, 8.5BA, entertaining spaces, terraces & pool. \$7,250,000

Heidi Hatfield 202-243-1634



MASSAVE HIGHTS, WASHINGTON, DC
Grand & sophisticated 5BR/8.5BA Tudor. Elegant public rooms, sunny & spacious kit, walk-out LL, private back garden & pool. \$5,995,000

Margot Wilson 202-549-2100



MCLEAN, VIRGINIA
Stunning craftsmanship, gourmet kit, reclaimed wood beams, 4 fireplaces, sports pool, pool house & generator. \$5,500,000

Mark McFadden 703-216-1333



LEESBURG, VIRGINIA
NEW PRICE! 7BR, 9BA home w/ resort-like 3+ acre backyard in Creighton Farms offering unparalleled amenities. \$4,998,000

Mark McFadden 703-216-1333



KENT, WASHINGTON, DC
Exquisite, newly constructed 6BR/5.5BA by AR Custom Builders in prime location. Pool, elev/roof deck, 4 car gar. \$3,995,000

Liz D'Angio 202-427-7890



FOXHALL, WASHINGTON, DC
Brand New total renovation – must see! 5,400 SF of superb quality & detail on corner lot near G-Town Univ. \$3,595,000

Robert Hryniwicki 202-243-1620



CHEVY CHASE, MARYLAND
Exquisite Georgian colonial 5BR, 5.5BA. Updated & maintained throughout. 4 fl. Ms, 2 patios in fenced garden setting. \$3,195,000

Patricia Lore 301-908-1242



FOREST HILLS, WASHINGTON, DC
NEW LISTING! 7,000SF home in private parkland setting. Turnkey renovated w/ carriage house studio/2-car garage. \$1,750,000

Margot Wilson 202-549-2100



POTOMAC, MARYLAND
Spectacular craftsmanship at its best! 8,000+ SF, 10' ceilings, gourmet kit, media rm, front/rear porch, 5 fireplaces. \$2,795,000

Anne Killeen 301-706-0067



BETHESDA, MARYLAND
Unbelievable opportunity walkable to Downtown Bethesda! 5BR/4.5BA, expanded Colonial on 0.79 acres. \$2,395,000

Tricia Messerschmitt 202-330-2275



AVENEL, BETHESDA, MARYLAND
NEW PRICE! Just a chip shot away from the exciting TCP golf course 4 fab levels with elevator & pool. \$2,375,000

Mark McFadden 703-216-1333



THURMONT, MARYLAND
Ledge House - Architectural masterpiece sited on 25 pristine acres in Maryland's Catoctin Mountains. \$2,195,000

Gary Wicks 202-486-8393



WEST END, WASHINGTON, DC
Handsome 3 unit in fun location. Main house 3 flr unit w/ 2BR/2.5BA; ground flr studio; 1BR duplex in back. \$1,895,000

Anne Hatfield Weir 202-255-2590



FALLS CHURCH, VIRGINIA
One acre close in adjacent to Franklin Park. Utmost in privacy. Meticulously maintained. 5BR, 4.5BA. McLean Schools. \$1,750,000

Gary Dopslaff 703-795-0697



CLEVELAND PARK, WASHINGTON, DC
Spacious & enchanting SBR with grand-scale rooms, 2 levels of screened porches overlooking large, level yard. \$1,695,000

Margot Wilson 202-549-2100



ALEXANDRIA, VIRGINIA
Phenomenal condo living on the Potomac waterfront mins to shops & dining. Fab open floor plan, gorgeous terrace! \$1,690,000

Traudel Lange 301-765-8334



WEST END, WASHINGTON, DC
Ritz Residences - Handsome, sun-filled 2BR, 2.5BA unit. MBR with priv. balcony. Parking, 24-hr concierge & valet. \$1,399,000

Tammy Gale 202-243-1649



GREENWICH FOREST, BETHESDA, MD
Gorgeous, expanded home. 4BR/3.5BA, kit opens to FR, elegant master suite & flat, beautiful yard. Walk to shops & Metra. \$1,389,000

Lauren Davis 202-549-8784



ALEXANDRIA, VIRGINIA
Impeccable style & quality craftsmanship. Renov 5BR/3.5BA. Chef's kit w/wine room, landscaped garden & 2-car gar. \$1,350,000

Tricia Messerschmitt 202-330-2275



MCLEAN, VIRGINIA
Brick colonial on treed lot w/ 4,800+ SF of living with 5BR, 4.5BA, 3 fireplaces, screened porch & au pair suite. \$1,349,000

Marianne Prendergast 703-676-3030

THE PREMIER BROKERAGE FIRM
REPRESENTING THE CAPITAL REGION

VERMONT

tranzon® auction

CLASSIC NEW ENGLAND HOME ON 25.8 ACRES



Built in 1797 and completely restored, this farm features:

- Brook With Spring Fed Pond
- 2,510 sf Main House
- 1,408 sf Guest House
- Barn

Auction: May 2 | 1pm | On-Site
Location: 327 Fletcher Schoolhouse Road, South Woodstock, VT
Open Houses: Please call for details.

Tranzon Auction Properties | Michael B. Carey - VT AUC Lic. # 057-0060459.
Samantha Kelley - VT RE Lic. # 081.0133082.
Sale subject to Terms & Conditions. Brokers welcome.

TRANZON.COM

866-503-1212

DISTINCTIVE PROPERTIES

SELECT RESIDENTIAL LISTINGS FRIDAYS IN MANSION

LIST YOUR PROPERTY TODAY

(800) 366-3975 | sales.realestate@wsj.com

© 2018 Dow Jones & Company, Inc. All Rights Reserved.

THE WALL STREET JOURNAL.



DOW JONES

LUXURY HAS ITS
ADVANTAGES

INTRODUCING COLDWELL BANKER GLOBAL LUXURY,
*an elite team of Coldwell Banker Sea Coast Advantage
agents who specialize in luxury real estate and have
the global reach to bring the world to your door.*
14 offices in Southeastern NC, from Jacksonville to Calabash.

**COLDWELL
BANKER** | **GLOBAL
LUXURY**
SEA COAST ADVANTAGE

SEACOASTGLOBALUXURY.COM
910.344.3010

CALIFORNIA

**Unparalleled Private
Owens River Fishing Ranch**
Ranch house on 1120 deeded acres+
8 miles of wild trout river frontage
Majestic 360' views of the Sierra range
\$1,295,000
Call Michele Hansen
Mammoth Village Properties
(760)934-1842
email: misssparky@earthlink.net
Lic. 01117688

FLORIDA

Florida 12+ acre Lakefront Estate

This modern architectural masterpiece includes an updated gourmet kitchen and a detached guest house/pavilion that's ideal for entertaining, a mother-in-law suite or home office. Gated 12+ acre estate, draped with centennial oak trees, has beautiful landscaping, ponds, water features, paved trails and bridges. Visit www.5600pimlico.com for details and schedule your private tour today.
Price: \$1,295,000
Contact: Bert Pope at (850) 933.2378

NEW JERSEY

CLASSIC 1929 DUTCH COLONIAL-WAYSIDE, N.J.

Private 1.25 acre estate/5beds/5full/2half baths/
lg family/dining rms(fireplace)/library/office/
sunroom 20x40 heated pool/cabana/patios
entertainment area 75 guests/35 car parking.
Extensively landscaped. Modern appliances
20KW Generator/beaches/colleges/shopping
center/golf/RB stations.
Russ Bey/732/695/1046/
russrals@aol.com FSBO/Details
\$7,295,000

NEW YORK

BROOKLYN HEIGHTS

Sprawling, sun-soaked duplex penthouse boasting 4 bedrooms, 3,201 indoor SF and 2,028 outdoor SF. Stunning park, river, BK Bridge and Downtown Manhattan views at Pierhouse.
KAREN HEYMAN
212.810.4990
Karen.heyman@sothebyshomes.com
Sotheby's International Realty
Downtown Manhattan Brokerage
\$7,295,000

TEXAS

**AUCTION
DEVELOPER CLOSE-OUT!
Saturday, April 28th – 11 AM CT
Bank & Owner Financing Available***


**River Hills Ranch
Morgan Mill, TX**
*In accordance with state and local laws
**19 Residential Building Lots
10 Lots Selling Absolute**
• Riverfront Lots, Creek View Lots and Plenty of Acreage to Build Your Dream Home or Roam
• Ranging in size from 2+- to 14+- Acres;
horse-friendly to any lot of 5 Acres (12 lots).
Lots can be combined.
• Located in reputable and desirable Morgan Mill ISD school system
• Great Community in close proximity to I-20 and Stephenville, country living at its finest!
• Also, 20 Platted Residential Building Lots Selling as an Entirety within Green Acres Development in Stephenville
• Maps, Photos and Details Available Online!

FLORIDA

Manalapan

Spectacular Ocean-to-Lake Mediterranean Compound with 9BR/10.4BA and 150 feet+/- of Ocean and Intracoastal frontage. This one-of-a-kind estate features rich details, sophisticated craftsmanship, and elaborate millwork and finishes. Fabulous billiards room connects to pub room with full bar. Finished basement with 12 car garage and temperature-controlled wine cellar. Detached guest house and deep water concrete dock.
Exclusive - \$31,900,000
Christian Angle Real Estate | 561-629-3015
www.AngleRealEstate.com | cjangle@anglerealestate.com

**FOUR SEASONS
PRIVATE RESIDENCES**
ORLANDO AT WALT DISNEY WORLD® RESORT
A PROJECT BY GOLDEN OAK DEVELOPMENT, LLC



DISCOVER YOUR NEXT DREAM HOME.

At 9,254 square feet, *Bonavento* features 6 bedrooms, 6 bathrooms, 3 powder rooms and outdoor living area, summer kitchen, pool and spa, and club room.

\$7,588,000*
*Partial furniture package is an additional \$385,000.



GOLDEN OAK REALTY
10501 Dream Tree Boulevard, Golden Oak, Florida 32836
407.939.5727 | OrlandoPrivateResidences.com/Dream

Obtain the Property Report required by Federal law and read it before signing anything. No Federal agency has judged the merits or value, if any, of this property. This does not constitute an offer to sell, or a solicitation to buy, real estate to residents of any state or jurisdiction where prohibited by law, or where prior registration is required but has not yet been fulfilled. Four Seasons Private Residences Orlando at Walt Disney World® Resort are not owned, developed or sold by Four Seasons Hotels Limited or its affiliates (Four Seasons). The developer, Golden Oak Development, LLC, uses Four Seasons trademarks and tradenames under a license from Four Seasons Hotels Limited. The marks "FOUR SEASONS," "FOUR SEASONS HOTELS AND RESORTS," any combination thereof and the Tree Design are registered trademarks of Four Seasons Hotels Limited in Canada and U.S.A. and of Four Seasons Hotels (Barbados) Ltd. elsewhere. The agreements related to the use of the "Four Seasons Private Residences" name and any related Four Seasons marks have specified terms of durations, and are subject to early termination. If the agreements expire or are otherwise terminated, the use of the "Four Seasons Private Residences" name and any related Four Seasons marks shall cease. Owners in the Four Seasons Private Residences will acquire no license or right to use the "Four Seasons Private Residences" name or Four Seasons marks. Golden Oak Development, LLC does not guarantee the obligations of builders who will build homes within the Golden Oak community. Golden Oak Development, LLC's approval of a builder shall not be construed as an endorsement, warranty or certification of any builder or the builder's performance. Void where prohibited by law. Equal Housing Opportunity. Broker participation welcome.

MANSION



1936



2017

(CLOCKWISE FROM TOP RIGHT) DENIS VLASOV; JOOK LEUNG; LIBRARY OF CONGRESS (2)

REAL-ESTATE REDUX | MARY BETH KLATT

A Hardware Merchant's Home in the 1800s

The four-story Manhattan townhouse, inhabited by one family for nearly a century, is a museum showing everyday family life; if it were renovated and put on the market today it could fetch up to \$9 million

THE HAND-KNIT, knee-high socks hang on a rack next to a stove on the fourth floor. Downstairs, a wool paisley shawl rests on a sofa.

That is pretty much how Irish servant girls left their upstairs living quarters in the 19th century, and how the last surviving member of the Tredwell family left her belongings at the time of her death in 1933.

"Visitors often say, 'It's as if the Tredwells stepped out for church and they'll be back any minute,'" says the museum's executive director, Margaret Halsey Gardiner. Some even say the inhabitants never left, so the museum offers candlelight ghost tours year round.

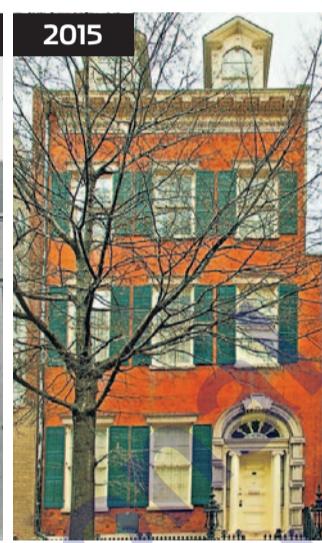
The Merchant's House Museum is New York City's only 19th-century family home preserved intact. For nearly 100 years it was the

residence of hardware merchant Seabury Tredwell and his family. Equally significant, it is the only such building to have intact servants' quarters, giving a rare glimpse into the everyday lives of the Irish immigrant girls. The late Federal/Greek Revival residence was among the first 20 buildings to be landmarked under the city's new landmarks law in 1965.

The story of the house begins in 1831. Hatter and real-estate speculator Joseph Brewster bought two adjacent lots for \$3,550 and \$3,000 in the booming Bond Street area to



1936



2015

build two townhouses. He sold one home and moved into the other at 29 E. Fourth St. in 1832. Three years later he sold his townhouse

for \$18,000 to Seabury Tredwell—about the time Mr. Tredwell was leaving the hardware business for other ventures at age 55. He moved in with his wife, Eliza, and seven children. Their eighth child, Gertrude, born in 1840, was the last occupant. She lived there until she died impoverished at 93. The other townhouse was demolished in 1988.

The nearly 10,000-square-foot, four-story marble-and-brick house, with all its furnishings and 3,000 personal belongings, was slated for auction when Tredwell relative

George Chapman stepped in. He realized its value and purchased the property to preserve it. Initially, it was called the Old Merchants House, to honor the men who built the commercial foundation of the city in the 19th century. The museum opened in 1936, and the home was restored to an 1850s appearance.

The neighborhood, now called NoHo, is as much associated with luxury living as when Mr. Brewster first speculated on its value.

Mansion asked Peter Sommer, a broker with Triplemint in Manhattan, to estimate the listing price if the home were to go on the market today as a single-family residence with six bedrooms, one full bathroom and three half-baths. He estimated it would be listed at \$6 million, maybe \$9 million with a renovation.



Your Next Chapter, A New Adventure

Make the move into a Toll Brothers Active Living® community. Luxury, low-maintenance homes built in stunning settings across the country. Find your way home to the community that fits every aspect of your life.

55+ communities with exceptional amenities, and on-site social directors at select locations

Communities with no age restrictions offering resort-style amenities

Private, more intimate communities perfect for a lock-and-leave lifestyle

Toll Brothers
ACTIVE LIVING®

TollBrothersActiveLiving.com/Main

Brokers welcome. Homes available nationwide. Photos are images only and should not be relied upon to confirm applicable features. This is not an offering where prohibited by law.

TOL
LISTED
NYSE