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THE WALL STREET JOURNAL.

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Last week: DJIA 21674.51 ▼ 183.81 0.8% NASDAQ 6216.53 ▼ 0.6% STOXX 600 374.20 ▲ 0.6% 10-YR. TREASURY ▼ 2/32, yield 2.196% OIL \$48.51 ▼ \$0.31 EURO \$1.1762 YEN 109.21

What's News

Business & Finance

Opening-round talks to remake the North American Free Trade Agreement revealed early fissures dividing the U.S. from Mexico and Canada. **A1**

◆ Assets under management at Gundlach's DoubleLine Total Return Bond Fund have dropped 13% from their peak last September. **A1**

◆ Sempra reached a deal to buy Oncor for \$9.45 billion, swooping in to snatch the power-transmission company away from Berkshire. **B1**

◆ Investors are running out of reasons to keep buying U.S. stocks, exposing a growing number of warning signs in the market. **B1**

◆ More small and midsize oil firms in the U.S. are forgoing shale drilling projects, opting for old-school wells instead. **B1**

◆ The debate intensified over whether the growing number of tech firms that blocked white supremacists and a neo-Nazi website on the internet have gone too far. **B3**

◆ Google is working on new tools to help news organizations sell subscriptions, a move that could improve its relationship with publishers. **B3**

◆ B&G Foods has struck a deal to buy SnackWell's cookies and Back to Nature granola bars, adding to its stable of older brands. **B8**

World-Wide

◆ An imam in northeastern Spain has emerged as a prime suspect in the Barcelona terror attack, as authorities investigate whether he radicalized a group of young men. **A1**

◆ Police in Finland continued trying to reconstruct the sequence of events around a stabbing spree that has been deemed a terror attack. **A6**

◆ Separate offensives against ISIS have solidified a de facto alliance between Iran and the U.S. to drive the group from its redoubts. **A6**

◆ Ten American sailors were missing and five were injured after the destroyer USS John S. McCain collided with a merchant vessel. **A8**

◆ The Korean Peninsula looks set for a new cycle of escalation this week as the U.S. and South Korea kick off annual military exercises. **A8**

◆ A fast-approaching deadline for insurers to commit to selling health plans next year under the ACA is pressuring GOP lawmakers. **A4**

◆ Trump returned to the White House Sunday, looking to revive his stalled agenda after a working vacation. **A4**

◆ Died: Jerry Lewis, 91, comedian who rose to the pinnacle of 20th-century stardom. **A11**...Dick Gregory, 84, barrier-breaking comic and civil-rights activist. **WSJ.com**

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After 100 Years, the Coast-to-Coast Total Eclipse Is Arriving



GETTING READY: Cameron DaSilva, foreground, and his father, Peter DaSilva, testing camera equipment on Sunday that they plan to use at the Lowell Observatory Solar Eclipse Experience in Madras, Ore., when the eclipse arcs across the U.S. on Monday. **A3**

Spain Eyes Imam in Attack

By Jon Sindreu,
Kavita Mokha
and Pietro Lombardi

RIPOLL, Spain—An imam in northeastern Spain has emerged as a prime suspect in the terror attack in Barcelona, as Spanish authorities investigate whether he radicalized a group of young men and plotted with them to launch an even deadlier assault.

Spanish authorities said Sunday they are investigating

Abdelbaki Es Satty in connection with the attack Thursday, when a terrorist drove a van into a crowd in central Barcelona and killed 13 people. Mr. Es Satty, a Moroccan national,

was the former imam at a mosque in Ripoll, the hometown of most of the 11 others police suspect of involvement.

Josep Lluís Trapero, police chief in Catalonia, said investigators believe the cell may have been conspiring for more than six months to carry out one or more bombings in Barcelona, but aborted the plan

when gas canisters being used to build bombs exploded.

A spokeswoman for the Catalan police said Mr. Es Satty may have died in that blast, which took place in a tiny town 190 miles from Bar-

Please see TERROR page A6

◆ New focus on Europe's Moroccan diaspora..... A7

Please see NAFTA page A4

TRUMP AND THE CEOS: A SOURED PARTNERSHIP

Cautious optimism gave way to break, despite common policy ground

By Vanessa Fuhrman,
Joann S. Lublin
and Emily Glazer

in making the country and its economy better," said Kathryn Wylde, chief executive of the Partnership for New York City, a group that represents major Wall Street firms and U.S. companies, and who led a CEO delegation to the White House earlier this year.

Please see TRUMP page A10

◆ President looks to revive stalled agenda..... A4

This African Feud Is Boiling Hot! Just Ask Mark Zuckerberg

* * *

Sticky debate over which nation makes the best jollof rice prompts a taste-off

By Joe Parkinson

Across West Africa, one of the world's spiciest food fights is getting hotter, snaring politicians, pop stars and even Facebook founder Mark Zuckerberg: Who makes the best jollof rice?

From Ghana to Nigeria, Senegal to Sierra Leone, chefs have for centuries boasted of their region's pre-emi-



Jollof rice

nence in preparing bowls of jollof, a sticky orange-colored delicacy made from fluffy rice and a chili-infused stew that has strong echoes in Louisiana jambalaya.

Each nation treats the dish as a cornerstone of national iden-

tity. Sweethearts refer to one another as "my jollof rice" and "jollofing" means "partying." To host a wedding or celebratory occasion without jollof would be unthinkable.

In recent years, gentle sparring has exploded into a torrent of trash talk so fiery it has become known as "the jollof wars." Battle lines have been drawn in hit songs, political campaigns and diplomatic sideswipes.

"The jollof wars are both

comic and deadly serious," said Sisi Yemmie, a food and lifestyle blogger in Lagos. "The battle has become particularly fierce online; it's about way more than

Please see RICE page A10

INSIDE



IZUMA PRESS

COMEDY GIANT JERRY LEWIS DIES AT 91

OBITUARY, A11



YOUR FACE WILL SOON BE YOUR PASSWORD

KEYWORDS, B1

U.S. to Detail Afghan War Plans



President Donald Trump will unveil his Afghan strategy in a televised address on Monday. Above, a U.S. Marine in Helmand province. **A7**

Some Investors Cool on Once-Highflying Fund

By GREGORY ZUCKERMAN
AND KIRSTEN GRIND

Jeffrey Gundlach built one of the most successful new bond funds ever, amassing \$61.7 billion of assets at the DoubleLine Total Return Bond Fund over just six years.

But during the past year something else happened: Some customers began to leave. Assets under management at the fund dropped 13% from their peak last September to \$53.6 billion as of July 31.

Investors have pulled \$8.5 billion from the fund in that period, Morningstar Inc. says, while funds in the same category took in net inflows of 7.2%. The fund has had outflows in each of the past nine months. DoubleLine said inflows in the fund for August so far are net \$230 million.

As performance has slipped and the fund has shrunk, Mr. Gundlach, 57 years old, has

turned combative, taking on the media and continuing to taunt a rival. Meanwhile, some within the firm are bracing for what could be a more challenging environment.

Late last year and earlier this year, some at DoubleLine Capital's offices in downtown Los Angeles say they were told bonuses might drop in 2017, according to people close to the matter. The firm says the guidance was aimed at creating a "pragmatic assessment" of 2017 after a big year in 2016.

Mr. Gundlach's fund's performance has been solid. But some investors say they are leaving because the fund has cooled from its previously white-hot pace.

Total Return Bond Fund topped 90% of peer funds over the past three- and five-year

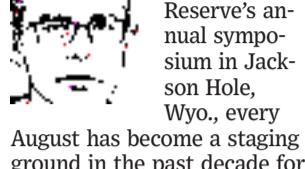
Please see FUND page A2

◆ Warning signs mount as stocks stumble..... B1

U.S. NEWS

THE OUTLOOK | By Paul Hannon

Draghi to Revisit Easing in Wyoming



The Federal Reserve's annual symposium in Jackson Hole, Wyo., every

August has become a staging ground in the past decade for central bankers to unfurl complicated new policies. Usually it is the Fed itself in the spotlight, but sometimes it is others, like European Central Bank President Mario Draghi.

Mr. Draghi will be the center of attention again this week when he returns to Jackson Hole to provide a luncheon address.

He last did so in 2014. Then, a luncheon presentation promised the use of "all the available instruments needed" to reverse a downdraft in inflation, laying the foundation for a program of government bond purchases six years after a similar move by the U.S. Federal Reserve.

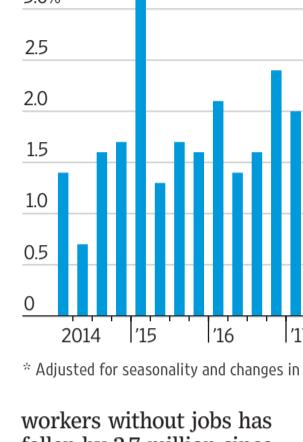
Just as Mr. Draghi set out a framework for understanding why quantitative easing, as the purchases are known, was necessary in 2014, ECB watchers think his coming appearance will give him an opportunity to review the evidence and set out the case for ending it in 2018.

What he likely sees is a set of policies that have proven favorable to growth, and signs of progress in tackling problems he highlighted during his last appearance, most notably a substantial fall in unemployment. In June, the eurozone's jobless rate fell to 9.1%, its lowest level since February 2009. It was 11.5% in August 2014, and the number of

Signs of Progress

The eurozone's growth and inflation have picked up, and unemployment has fallen, since Mario Draghi last spoke in Wyoming in 2014.

Quarterly change in inflation-adjusted GDP, at an annualized rate*



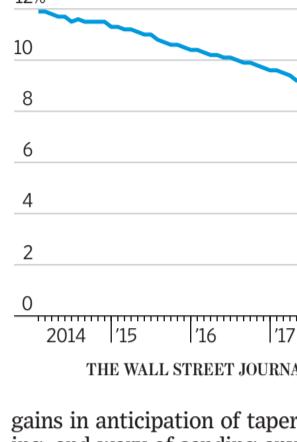
* Adjusted for seasonality and changes in the calendar year

Consumer-price inflation, as measured by the change from a year earlier in the harmonized index



Source: Eurostat

Unemployment rate, seasonally adjusted



THE WALL STREET JOURNAL.

International Monetary Fund's annual review of eurozone economic policy, government budgets will be "mildly expansionary" this year.

Yet Mr. Draghi's appeal to governments went beyond how they manage budgets and on these fronts, the IMF concludes, progress has been sluggish. No amount of fiscal or monetary accommodation, Mr. Draghi said, "can compensate for the necessary structural reforms in the euro area." By that he meant that governments should overhaul laws that complicate hiring and firing of workers.

The job isn't complete on the macroeconomic front either. What truly alarmed Mr. Draghi in 2014 wasn't low inflation; it was signs that expectations of future inflation had fallen significantly. When he spoke, the measure he cited suggested bond investors expected inflation to be around the ECB's target over the medium term. That measure now points to expectations that inflation will stay below the target.

Separate measures suggest expectations have risen among consumers, but not to levels that were typical before the financial crisis. So while the central banker will likely highlight a degree of progress that would allow for a reduction in stimulus, that is likely to be tempered with notes of caution to suggest bond purchases or other measures supporting growth won't be withdrawn very quickly. Policy normalization in Europe, as in the U.S., will proceed very slowly.

ECONOMIC CALENDAR

WEDNESDAY: The eurozone economy had a surprisingly strong first half of the year, and economists expect to see indications this week that growth is continuing at only a slightly slower pace during the third quarter. IHS Markit's composite purchasing managers index for the currency area—a measure of activity in manufacturing and services—is forecast to fall a little in August, but remain close to the levels recorded in July.

On the same day, the European Commission will publish its measure of eurozone consumer confidence for August.

THURSDAY: The National Association of Realtors releases July U.S. existing-home sales. In June, sales of previously owned homes fell 1.8% to an annual rate of 5.52 million. Prices jumped as strong demand overwhelmed a pinched supply. Economists surveyed by The Wall Street Journal expect existing-home sales grew 0.7% in July.

Federal Reserve officials and other central bankers and economists from around the world gather Thursday through Saturday in Wyoming for the annual Jackson Hole symposium hosted by the Federal Reserve Bank of Kansas City. Fed Chairwoman Janet Yellen's speech Friday morning on financial stability could be her last appearance at the event as Fed chief. Mario Draghi, the European Central Bank chief, will speak Friday afternoon.

FRIDAY: The Commerce Department releases data on U.S. durable goods in July. June's report showed orders for big-ticket items like refrigerators grew 6.5% from a month earlier. Economists will be watching for signs of momentum in capital investment. But those surveyed by the Journal expect durable-goods orders fell 6.1% in July.

Reno Sees Dollars in Burning Man

By Jim Carlton

up on everything from food to solar-powered showers.

For some local businesses, the influx is like Christmas in August. At the Melting Pot World Emporium, which stocks goggles, masks and other accouterments that Burners favor, sales related to the event account for 65% of annual revenue, said co-owner Eric Baron. Junkee Local Exchange, which carries used costumes and other Burner-type gear, says attendees spend an average of \$300 to \$400.

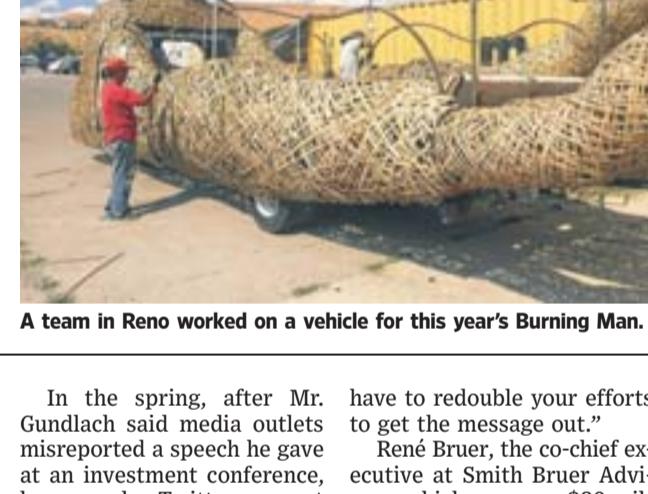
Burners collectively spent about \$50 million in Nevada for items including fuel, food and lodging last year, according to a survey of eventgoers conducted for Black Rock City LLC, a San Francisco company that organizes the festival.

A more lasting impact is Reno's growing role in making and displaying the fanciful artworks that are a signature of the gathering. This year, the giant wooden "Man" that is set on fire to conclude every Burning Man was made in

Reno for the first time.

The Nevada Museum of Art here opened a pictorial exhibition July 1 on the history of the event, which began on a San Francisco beach in 1986.

Last year, a 12-foot-high steel sculpture of the word "Believe" was put on permanent display in the Reno City Plaza after debuting at the 2013 Burning Man. "We're really trying to become the biggest little art city," said Alexis Hill, Reno's arts, culture and events manager.



A team in Reno worked on a vehicle for this year's Burning Man.

FUND

Continued from Page One

periods. In 2017, though, it is beating 59% of competitors, with a 3.15% gain through Aug. 17, Morningstar says.

Among those bailing are individual investors, who helped fuel the fund's growth but can be quicker than institutions to pull their funds when performance lags.

Barney Rothstein, a retired orthodontist in Tucson, Ariz., withdrew \$250,000 from the fund over the past 18 months and shifted the money to individual bonds that carry similar yields but can be held to maturity, unlike a bond fund, potentially giving an investor more cushion if the market turns down. "The extra return wasn't there anymore," he said.

Analysts say success sometimes hurts funds by raising the bar for the future. Mr. Gundlach has spoken publicly about the dangers of getting too big.

Some investors in Pimco's once-giant Total Return fund left it in 2013 and 2014 when the fund, led at the time by Bill Gross, stopped trouncing rivals. A spokeswoman for Mr. Gross's current firm, Janus Henderson Investors, said he outperformed his benchmark during that period.

"This is part of having exceptional returns—at some point there will be less-than-exceptional returns," said A. Michael Lipper, who advises investors in mutual funds.

Now investors like Castle Financial & Retirement Planning Associates Inc. in Hazlet, N.J., are shifting to Pimco from DoubleLine.

"Performance has been waning," said Al Procaccino II, president of the firm, which

pulled money from the DoubleLine fund this year.

DoubleLine says it isn't troubled by the outflows or the performance of the fund, which is nearly \$45 billion larger than DoubleLine's next-biggest fund.

"Many well-known, actively managed bond funds that have been around long enough go through periods of net outflows, some far more dramatic than Mr. Gundlach's fund has experienced," a DoubleLine spokeswoman said. "There are only so many opportunities for actively managed funds. DoubleLine stopped marketing the fund two years ago, and the firm is pleased with where the asset level is."

Overall, DoubleLine's assets are \$111 billion, the firm said, a record. That asset growth could help 2017 bonuses, according to a person close to the matter. Some investors have switched to other DoubleLine funds that are doing better, the firm said.

The DoubleLine Flexible Income Fund, managed by Mr. Gundlach and Jeffrey Sherman, has beaten 58% of rivals and has had net inflows of \$418 million in 2017, for example.

In recent media interviews, Mr. Gundlach has expressed concerns about what he called the high prices of risky assets. Most of the Total Return Bond Fund's assets are in mortgages, in keeping with its guidelines. Mortgages scored gains during the recovery from the 2008 financial crisis but have leveled off. The fund holds few corporate bonds, which recently have led the bond market.

Mr. Gundlach's returns at another asset manager, TCW Group Inc., gained him prominence in the early 2000s, but tensions with executives there ended with his ouster and du-

eling lawsuits. TCW and Mr. Gundlach ultimately settled their legal disputes. Mr. Gundlach sometimes emails TCW executives, taunting them, boasting of his performance and accusing his rival of not playing fair, people familiar with the matter said.

Those emails have continued in recent months, one of the people said. DoubleLine declined to comment.

After the November 2016 election, Mr. Gundlach—who

says he voted for President Donald Trump and predicted his victory—forwarded an email to DoubleLine employees with an image of Mr. Trump smiling in front of a garbage truck carting Hillary Clinton and Barack Obama away, according to people familiar with the email. The image angered some employees, who felt it blurred the line between politics and business. DoubleLine declined to comment.

In the spring, after Mr. Gundlach said media outlets misreported a speech he gave at an investment conference, he opened a Twitter account with the username TruthGundlach and criticized media members, including The Wall Street Journal. In June, after a Twitter user with 56 followers accused Mr. Gundlach of using public pronouncements to boost his fund, he responded by referring to his own standing on a list of industry players. "What number are you on the Bloomberg 50 Most Influential list?" Mr. Gundlach tweeted.

Mr. Gundlach declined to be interviewed. In a tweet this past Thursday, he said, "I'm not 'combative'. Never attack unprovoked. Never plant competitor hit pieces. But I am a scorpion. Attack me and I will fight back. Hard."

One former employee says Mr. Gundlach aims to stir debate and focus attention on his fund.

"Even if the inner Jeffrey is truly composed and collected, the outer Jeffrey is the actor—he's a rational creation who understands how to rattle the cage," said Claude Erb, a former portfolio manager at DoubleLine and TCW. "He's seen client enthusiasm ebb and flow. When it's waning, you

CORRECTIONS & AMPLIFICATIONS

An Uzbek national who allegedly plowed a beer truck into people on a Stockholm shopping promenade in April had sought residency in Sweden and been rejected. A World News article on Saturday about the stabbing spree in Turku, Finland, incorrectly

said the man was a rejected asylum seeker.

The first name of reporter Jeannette Neumann was misspelled as Jeanette in some editions Saturday in the byline of a Page One article about the terror attacks in Spain.

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

have to redouble your efforts to get the message out."

René Bruer, the co-chief executive at Smith Bruer Advisors, which manages \$80 million, withdrew all of his clients' money from the fund in 2015 partly because of concerns about its reliance on the outspoken manager.

"He can create controversy. If that's what floats his boat, great," Mr. Bruer said. "But for my clients and for me, I can't take much of that."

At least one fan hopes Mr. Gundlach adjusts his style.

Jordan Edwards of Avier Wealth Advisors in Bellevue, Wash., which keeps about 10% of clients' bond allocation in the fund, cited Mr. Gundlach's investing skills and said, "I would prefer that he would not be as provocative as he is."

—Justin Baer, Ben Eisen and Daisy Maxey contributed to this article.

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U.S. NEWS

Americans Rush Toward Eclipse's Path

Skygazers coast-to-coast mark a 99-year celestial event, while others play catch-up

BY DANIELA HERNANDEZ

Monday marks the end of a 99-year wait as the U.S. experiences a total eclipse of the sun, coast to coast for the first time since 1918.

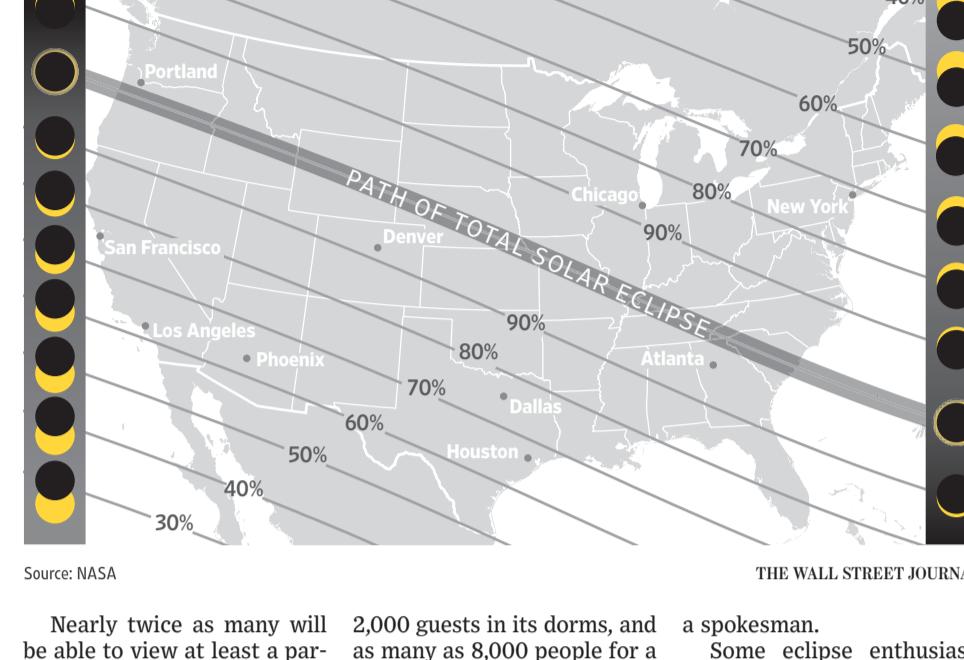
The event is drawing large crowds to small towns and cities, and is expected to become a vast, shared experience online.

"This total solar eclipse across the United States is a fundamentally unique opportunity in modern times, enabling the entire country to be engaged with modern technology and social media," said Carrie Black, an associate program director at the National Science Foundation who oversees solar research.

Roughly 200 million people live within a day's drive of the so-called path of totality—the 70-mile-wide swath cutting across 14 states from Oregon to South Carolina where the sky will go completely dark as the moon passes directly in front of the sun, according to Martin Knopp of the Federal Highway Administration at the U.S. Transportation Department of Transportation.

The 2017 Eclipse

If skies are clear during the Aug. 21 solar eclipse, the entire U.S. will be able to see the sun at least partially obscured. Percentage of the sun's area that will be covered by the moon during the event:



Nearly twice as many will be able to view at least a partial eclipse, according to the National Aeronautics and Space Administration.

Skygazers are planning weddings, participating in citizen-science projects and flocking to festivals featuring aliens, science-themed activities and concerts.

Oregon State University in Corvallis is hosting nearly

2,000 guests in its dorms, and as many as 8,000 people for a three-day festival on campus, according to Jill Peters, OSU's eclipse event manager.

Social-media firms are planning ways to help people share the experience online. Snap Inc.'s Snapchat app will have special stickers and filters. Users will also be able to zoom in on a map to view eclipse-related dispatches, according to

a spokesman.

Some eclipse enthusiasts have been planning for months or even years. Others are playing catch-up.

About four months ago, when Dave Medberry told his family about his travel plans to view the total eclipse, they responded by saying a farm owned by relatives in Wyoming was in the path of totality. He pulled out some maps

to show them it was just outside the line.

"Some of them thought close enough was good enough," said Mr. Medberry, a computer scientist based in Loveland, Colo. But "it matters a lot."

Now, he and about two dozen of his family members are driving to Torrington, Wyo., for the event, eclipse glasses and colanders in tow. He will use the colanders as pinhole viewers to project on the ground tiny images of the moon encroaching on the sun.

Staring at the sun, even when it is partially covered, can cause vision damage, so eclipse watchers need special dark glasses or should use a pinhole viewer.

Others such as Susan Williams waited too long to plan. The self-described space nerd said she tried getting eclipse glasses online recently, but they were sold out. Ms. Williams, who teaches audiovisual technology at Full Sail University in Florida, will take a break from class on Monday to enjoy and photograph the partial eclipse with her students.

Mark Miller also had to hustle at the last minute to book a car rental for his trip to Jackson, Wyo., for the eclipse. Mr. Miller, a senior vice president at Symphony Health Solutions, spent two days haggling with local car-rental providers until

he found a reasonable price. He is now on the hunt for eclipse glasses.

Eric Gooding, an electrician at the University of Missouri, put out a call earlier this month for anglers across the country to observe and record the behavior of fish on Monday. A co-worker mentioned a letter published in the journal Nature in 1906 describing fish becoming "ravenous" as "the eclipse neared its maximum," presumably because they figured it was feeding time.

A colleague helped Mr. Gooding put together a website and a form where anglers can input data.

Today, people mostly regard eclipses as entertainment and as opportunities for study, but various societies throughout history have viewed them as ominous, according to Anthony Aveni, an archaeoastronomer at Colgate University in Hamilton, N.Y., who recently published a book about cultural perceptions of eclipses.

The Mayans, he said, equated an eclipse with "the moon, ruler of the night...telling lies to the sun about the evil things" humans do. In Hindu culture, humans "make noise" in an attempt to bring back the sun and "preserve cosmic order," he said.

—Robert Lee Hotz, Christina Rexrode and Georgia Wells contributed to this article.

Small Towns Close Schools, Warn of Traffic

BY ZUSHA ELINSON
AND ALEJANDRO LAZO

The rush on portable toilets began last year as officials in eastern Idaho began preparing for the crush of visitors expected for Monday's total solar eclipse. One big draw: the region's famously clear skies.

"We stopped reserving toilets [for this weekend] last November," said Wes Thompson, owner of A1 Rentals in Rexburg, Idaho. "We'll have all 1,200 units out this weekend."

The toilets are just one small example of preparations that have been under way for months.

As many as 500,000 eclipse-watchers are expected in the sparsely populated region, described as one of the best places to see the rare celestial event.

In Oregon, officials have been preparing for the past year, with the state expecting as many as a million visitors to watch the roughly 2½-minute natural sensation.

The town of Madras, Ore., population 6,700, will be hosting Oregon SolarFest, featuring live music acts, presentations by NASA team scientists and activities for children.

Across the state, 150 Oregon Air and Army National Guard members, as well as five Army National Guard aircraft will be deployed to assist local cities and counties with traffic and emergency-response preparedness. The Oregon Health Authority is deploying ambulance teams to rural areas.

The Federal Aviation Administration is expecting so much additional air traffic from private jets and smaller

planes that it has set up temporary air-traffic-control towers in two cities in Oregon and two in Nebraska.

Schools in some communities along the path of the total eclipse plan to close Monday, some to allow children to watch the eclipse, others out of liability concerns if students don't have proper eye protection.

Community officials are trying to get visitors prepared. Kerry Hammon, a spokeswoman for Idaho Falls, Idaho, said eclipse-watchers should prepare for traffic delays and bring food, water and medications—and even paper maps because of expected spotty cellular service as the area's reception is taxed by the crowds.

"Don't count on getting on Google for directions," she said.

Businesses and homeowners are trying to cash in on the eclipse. Restaurants are readying for crowds. Prices for hotel rooms and Airbnb listings have soared along the total-eclipse route.

Business has been good for rental-company owner Mr. Thompson, even though he refused to raise the price for his portable toilets (they go for \$35 for the weekend) because he doesn't believe in gouging.

Mr. Thompson, 42, said he may take a brief break from work to check out the eclipse, but he isn't too excited about it.

"It's just another day," he said. "It'll be dark for 2½ minutes and then the work begins again and we'll have to go pick 'em up."

—Susan Carey contributed to this article.



Campers gathered over the weekend in 'Solar Town,' a farm field turned into a campground for eclipse enthusiasts, in Madras, Ore.

How to Watch—and Photograph—the Show

A WSJ ROUNDUP

On Monday, a swath of the U.S. will experience a total solar eclipse. Here are a few facts for skygazers:

What is a solar eclipse, and why is this one special?

A solar eclipse happens when the moon passes between the sun and the earth, temporarily blocking the sun and plunging areas of the earth into the darkness of the moon's shadow. This is the first time since 1918 that a total eclipse will occur coast to coast across a strip of the U.S.

How long will it last?

It will take about an hour and a half for the moon's shadow to traverse the country, from west to east. As the shadow moves, locations along the "path of totality" will experience complete darkness, generally lasting over two minutes, with the longest period near Carbondale, Ill., at 2 minutes and 40 seconds.

The eclipse will take place in five stages as the moon begins to encroach on the sun, covers it and then moves off, starting a bit after 9 a.m. Pacific time on Oregon's coast.

The eclipse will finish its continental journey on the coast of South Carolina, where totality will start after 2:40 p.m. Eastern time.

Why do I need special glasses to look at it?

During totality, when the sun is completely covered, it is safe to look, but still risky. If you watch during the partial phases, even when the sun is 99.5% covered, solar radiation could harm the light-detecting cells in the back of the eye, known as photoreceptors.

To be safe, viewers should wear special eclipse glasses, which filter out tens of thousands of times as much light and radiation from the sun as sunglasses. Counterfeits have been flooding the market, so be careful of fakes. The American Astronomical Society lists trusted brands and vendors on its website.

Even while wearing eclipse glasses experts warn that people shouldn't look through "unfiltered" lenses, such as on binoculars or camera viewfinders.

Eclipse glasses seem to be sold out. How can I watch?

"If you don't have the right glasses, don't stare at the sun," said Bill Nye, chief executive of the Planetary Society. Instead, try making a pinhole viewer, he said.

You can make a viewer out

of a piece of paper or cardboard. Punch a small hole and hold the paper or cardboard in front of you with the sun behind you, allowing the light to shine through the hole. You will see an image of the sun on any surface the light shines on—another piece of paper or even the sidewalk.

Can I take a picture of the eclipse?

Yes, but make sure your equipment has the proper filters. Concentrated, unfiltered sunlight can damage a single-lens reflex camera's sensor or cause eye damage when viewed through the optics of a range-finder camera.

Apple says photographing the eclipse won't damage an iPhone's camera. But you will get a better shot by holding a pair of eclipse glasses in front of the lens.

In Boston, Police Tactics Kept Huge Protest Ordered

BY JIM CARLTON

Boston's success in preventing widespread violence at a right-wing rally and counter-protest on Saturday should serve as a template for smaller cities hosting similar demonstrations, law-enforcement officials said.

Police in Boston largely managed to keep a huge crowd of counterprotesters away from a small group of right-wing demonstrators who had organized a "Boston Free Speech Rally," one week after violent protests in Charlottesville, Va., on Aug. 12 rattled the nation. In Charlottesville, a woman was killed and others injured when a car plowed into a group of people who were protesting a white-su-

premacy rally there.

In Boston on Saturday, police used officers on bicycles and other tactics to help enforce a gap of about 40 yards between a few dozen right-wing demonstrators and an estimated 40,000 counterprotesters. "We didn't want what happened in Virginia to happen here," Boston Police Commissioner William Evans told reporters afterward. "We didn't want them at each other's throats."

Uniformed police officers also circulated in the crowds, looking for troublemakers. A total of 33 people were arrested, mostly for disorderly conduct and some for assaulting the police.

Most important, Boston police enforced a city rule of no

weapons at the event, other law-enforcement officials and observers said. Even sticks and flagpoles were confiscated.

"It shows they had a lot of preplanning," said William Lansdowne, former police chief of San Diego. "They started with a soft presence—officers in regular uniform, dispersed within the group. Then they had a contingent of a lot of tactical officers nearby. It created an environment where people don't easily get involved in violence."

Other large cities, including New York, Seattle and San Francisco, have learned to manage such large demonstrations. Seattle police now re-route opposing groups after being criticized for letting mass protests descend into vi-

cies. Berkeley, Calif., has done so under a mutual-aid pact with other cities and agencies. But Berkeley officials have been criticized for calling in outside help too late in some instances and for taking a hands-off approach to protests. City officials have said they didn't want to take actions that might result in more violence.

"The key is to get help," said Mr. Ribera, also director of the International Institute of Criminal Justice Leadership at the University of San Francisco. "Always err on the side of having too much manpower."

—Zusha Elinson contributed to this article.

◆ Debate over free speech, tech censorship intensifies..... B3



Saturday's counterprotest drew about 40,000 people in Boston.

U.S. NEWS

Republicans Face Health-Law Deadline

Lawmakers will have 12 legislative days to decide whether to pass a bipartisan bill

BY STEPHANIE ARMOUR
AND MICHELLE HACKMAN

WASHINGTON—A fast-approaching deadline for insurers to commit to selling health plans next year under the Affordable Care Act is pressuring Republican lawmakers to decide quickly whether to shore up the law and ease the path for insurers or continue efforts to roll it back.

Lawmakers returning to the Capitol from recess on Sept. 5 will have only 12 legislative days to decide whether to pass a bipartisan bill aimed at bolstering the ACA's markets before insurers must commit to participating in the law's exchanges in 2018. At the same time, a plan from Sens. Lindsey Graham (R., S.C.) and Bill Cassidy (R., La.) that would largely topple most of the ACA is gaining traction among Republicans.

The looming deadline means that Republican lawmakers who have been bogged down for



ANDREW HARRER/BLOOMBERG NEWS

Sens. Patty Murray (D, Wash.), left, and Lamar Alexander (R, Tenn.) have a bipartisan health-care plan.

months on legislation to rework most of the ACA will have little time to decide whether to pivot and instead help bolster the current health law—or, possibly, to pursue both courses.

A bipartisan plan from Sens. Lamar Alexander (R., Tenn.), chairman of the Senate's health committee, and Patty Murray

(D., Wash.), the committee's top Democrat, would need support from senators in both parties to clear a 60-vote threshold in the Senate. Hearings are slated for the first two weeks after Congress returns.

Their proposal would likely preserve for next year billions of dollars in federal payments

to insurers known as cost-sharing reduction subsidies. Insurers have said that without the payments they likely would raise premiums or stop participating on the ACA's individual markets. In return for guaranteeing the payments next year, any bill would likely give states more flexibility on ACA imple-

mentation, a change GOP lawmakers have sought.

The pressure on Republicans has intensified after the non-partisan Congressional Budget Office reported last week that cutting off the subsidies could spur a 20% increase in 2018 premiums for some of the exchange's most popular, midtier priced plans. President Donald Trump has threatened to halt the payments, which compensate insurers for lowering out-of-pocket costs for some low-income consumers.

During the congressional recess, support also has grown for the plan championed by Mr. Graham, which would give states the billions of dollars spent on the ACA to create their own health-care approaches. It also would end the requirement that most people buy insurance or pay a penalty.

Conservative lawmakers in both the House and Senate see it as the most viable path toward a repeal of the ACA.

The idea backed also by GOP Sen. Dean Heller of Nevada, could draw other Republicans away from any plan to bolster the ACA's markets. A spokesman for Mr. Cassidy said the two bills could move on parallel tracks, with lawmakers choos-

ing to shore up insurance markets in the short term while pursuing more sweeping changes to the law.

Some Republicans want legislation to shore up the markets and preserve the cost-sharing payments. Others, along with Mr. Trump, are eager to repeal most of the ACA. They see the subsidies as a bailout of insurers.

Concern is growing among governors, Democrats and insurance commissioners that any effort may come too late to help consumers in some ACA marketplaces.

Though the Trump administration recently pushed back some key federal due dates, insurers are still supposed to file their 2018 premiums by Sept. 5. However, industry officials said, the more binding deadline may be Sept. 20, when states must submit completed rates to federal officials. Ultimately, insurers have until Sept. 27 to sign federal contracts to offer 2018 plans.

"There has to be a clear set of rules for 2018 for us to participate," said David Holmberg, chief executive of Highmark Health. "We need answers. We need to know what the playing field is and who the refs are."

Trump Returns With a Full Plate and Little Air Cover

BY PETER NICHOLAS

BRIDGEWATER, N.J.—President Donald Trump returned to the White House Sunday, looking to revive his stalled agenda amid signs that his hold over congressional Republicans has weakened coming off his comments about the violent demonstration in Charlottesville, Va.

Mr. Trump, after a two-week working vacation at his New Jersey golf resort, is expected to lay out a much-anticipated plan Monday night for a new strategy in Afghanistan. He must help forge a consensus in Congress on a spending bill to avoid a partial govern-

ment shutdown. He also will try to wrest funding for his proposed border wall and jump-start negotiations over a tax-code overhaul.

White House aides believe that if the legislative push bogs down this fall, it is possible nothing substantial happens before the midterm elections in November 2018.

The president will have barely settled into a newly renovated West Wing before he leaves again, heading to a rally Tuesday in Phoenix.

Protests are expected coming off the president's remarks on the deadly demonstrations more than a week ago in Vir-

ginia, in which he said that both white nationalists and counterprotesters deserved blame.

Some GOP lawmakers have openly criticized the president since Charlottesville.

Most elected Republican officials have offered narrow if any public support for Mr. Trump in recent days, and a few GOP lawmakers have

openly criticized the president. Many other Republicans have condemned racism and bigotry without mentioning Mr. Trump by name.

Sen. Tim Scott (R., S.C.) of South Carolina, the only black Republican in the Senate, told CBS News in an interview Sunday that Charlottesville presents Mr. Trump with "an opportunity for him to be better educated" on the history of race in the U.S.

Mr. Trump received withering criticism for initially saying that "many sides" were to blame in Charlottesville. In response to that criticism, Mr. Trump doubled down on his comments Tuesday and lashed out at Republicans on Twitter.

The comments, by giving Republicans an opening to criticize him publicly, complicated high-stakes fiscal negotiations looming this fall and the president's efforts to accomplish his agenda.

Underscoring the relative silence from Republicans on Sunday were comments from news

"It's increasingly clear that President Trump is isolated from the Republicans," said Evan Siegfried, GOP strategist and political commentator. "In the first six to seven months he's really not been able to work with Capitol Hill. He feels like they are subservient to him, that they are middle managers."

One supportive voice Sunday came from Jerry Falwell Jr., president of Liberty University, who was one of Mr. Trump's earliest and most influential supporters among evangelical Christians.

"One of the reasons I supported him is because he doesn't say what's politically correct, he says what is in his heart, what he believes, and sometimes that gets him in trouble," Mr. Falwell told ABC News.

On Saturday, Treasury Secretary Steven Mnuchin rejected calls to resign and said in a statement that "the president in no way, shape or form believes that neo-Nazi and other hate groups who endorse violence are equivalent to groups that demonstrate in peaceful and lawful ways." Mr. Mnuchin, who is Jewish, had received pressure to resign from former Yale classmates.

*—Joshua Jamerson
and Natalie Andrews
contributed to this article.*

◆ Trump to detail Afghanistan strategy Monday..... A7



JOHN MOORE/GETTY IMAGES

Trucks pass through U.S. customs in Laredo, Texas, last October.

To create more U.S. manufacturing jobs, he suggested that the pact should set a standard not only for higher content from the three Nafta countries, but also for U.S.-specific content, a demand that drew early resistance from the trading partners Mexico and Canada.

"National content is not used in any commercial agreement in the world, because it puts too much rigidities to the companies," Mexico's Economy Minister Ildefonso Guajardo told Mexican radio.

Canada's Foreign Minister Chrystia Freeland has also voiced opposition to the idea of national content, though she and Mexican officials have noted the U.S.'s tough stance was expected heading into negotiations.

Currently 62.5% of autos and major auto parts shipped within the three Nafta countries must be produced in Mexico, Canada or the U.S. to qualify for duty-free shipment.

The U.S. proposal could amount to an opening bid, and it could also generate opposition in Congress, which would have to approve a final pact, especially if significant parts of U.S. industry bring their lobbying firepower to the issue.

"These sorts of country specific requirements would just add to the cumbersome nature of rules of origin compliance," said Matt Blunt, head of the American Automotive Policy Council, which represents the Detroit auto makers.

"The administration should reject fears of supply-chain disruption asserted by the import lobby," said Michael Stumo, chief executive of the Coalition for a Prosperous America.

—William Mauldin and Santiago Perez contributed to this article.

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DAYS
EMBRACING ADVENTURE

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eral statement they had made "detailed conceptual presentations" of their positions and were working toward "an ambitious outcome" through a fast-paced schedule of negotiations.

Early tensions over areas such as the so-called rules of origin—a major issue for the automotive industry—signaled the tough bargaining that lies ahead as the three nations try to wrap up a deal by early next year.

The chief U.S. negotiator, Robert Lighthizer, came into the talks Wednesday saying the U.S. would insist on tightening the rules of origin, and adding a provision covering U.S. production, an idea dismissed as unworkable by Mexican and Canadian officials.

At this early stage of the talks, it is difficult to measure the depth of the disagreement. Opening rounds generally set the tone and schedule for negotiations. The U.S. has yet to release specifics on some of its most controversial positions, including measures to reduce the U.S. trade deficit, prevent currency manipulation, favor U.S. companies in government contracts, known colloquially as Buy America, and rework rules governing arbitration panels.

Discussions continue within the administration about how to accomplish those goals without harming U.S. companies, U.S. and industry officials said.

Mr. Lighthizer focused early on what are known as rules of origin requirements, which govern what portion of a product must come from within the bloc to qualify as tariff-free. In his opening remarks last week, Mr. Lighthizer noted that in the auto sector alone, the U.S. has a \$68 billion deficit with Mexico and thousands of American factory workers have lost their jobs.

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WORLD NEWS

ISIS Holdouts Are Hit in Iraq, Lebanon

Campaign to eradicate
Sunni extremists
reflects incongruous
battlefield alliances

A disparate collection of forces have launched two separate offensives against Islamic State, solidifying a de facto alliance between longtime opponents Iran and the U.S. to drive the group from the last remaining territory it holds.

By Maria Abi-Habib
in Beirut
and Ali Nabhan
and Ghassan Adnan
in Baghdad

Iraqi forces early Sunday started a military operation in Tal Afar, one of Islamic State's last important strongholds in the country. The offensive unites U.S.-backed Iraqi forces with Iran-supported Shiite militias, which have for months surrounded Tal Afar waiting to move on the city.

A similar dynamic is playing out in Lebanon, where the U.S.-supported Lebanese military attacked Islamic State's last foothold in the country. Hezbollah, a Lebanese militia fighting in Syria alongside Iranian forces, hit Islamic State from the other side of Lebanon's border.

Eliminating the Sunni extremist group—whose claim of responsibility for last week's attacks in Spain suggested its continued capacity to strike abroad—is a prime objective of both the U.S. and Iran, even though Tehran and Washington are also working to undermine each other in the region.

The competing priorities, for the U.S. in particular, have become a difficult balance.

"This is where the contradiction comes in, in U.S. foreign policy, fighting both ISIS and Iran," said Aymenn Jawad Al-Tamimi, a research fellow at the Middle East Forum, using an acronym for Islamic State. "The U.S. can support the armies of the region, but it won't be able to counter Iran's work with the militias of the region, both of which are important to the battle against ISIS."

Parts of these incongruous alliances are sometimes turning on each other.

In Iraq, Shiite militias have helped Baghdad's military—



U.S. Army soldiers stood next to a guided-missile launcher, a few miles from the front line, in the village of Abu Ghaddur, east of Tal Afar, Iraq, on Sunday

Assad Shuns West Over Ties to Rebels

DAMASCUS, Syria—President Bashar al-Assad refused any security cooperation with Western nations or the reopening of their embassies, until they cut ties with opposition and insurgent groups.

Shortly after Mr. Assad gave his speech on Sunday, a shell hit the first international fair in the country since the

war began six years ago, killing and wounding several people.

Mr. Assad's defiant comments come at a time when his troops and pro-Iranian militias are gaining ground across the country under the cover of Russian airstrikes. Many countries have ceased calling for him to step down.

Speaking before dozens of Syrian diplomats in Damascus, Mr. Assad praised Russia, Iran, China and Lebanon's Hezbollah for supporting his government during the conflict.

He said Syria would look east when it comes to political, economic and cultural relations.

"The direct support of our friends, politically, economically and militarily, made our advance on the ground greater and the losses of war less. Therefore, they are our partners in these achievements on the road to crush terrorism," Mr. Assad said.

The government had billed the international trade fair as a victory and a sign of renewed confidence in the war-torn nation. —Associated Press

victorious side and the world supports you and awaits your victory," Mr. Abadi said. "The international coalition will support you."

It wasn't clear how many Islamic State fighters remain in Tal Afar, but Iraq's Defense Ministry estimates there are as many as 1,500.

Iraqi forces are bombing the militants' defensive lines as they advance toward Tal Afar, while ground fighting is taking place in areas and villages around it, Iraqi military officials said. A small area outside the town called Al Abra Al Sageera was taken by the federal police and Shiite militias Sunday morning, they added.

In Lebanon, the latest offensive is a test for the army to prove it is able to clear Islamic State from the border region with Syria. While the army is leading the assault in the country's al-Qaa and Ras Baalbek areas, Hezbollah remains an important force in pressuring the group from the Syrian side of the border—despite repeated assurances from gov-

ernment officials that the military would lead the battle.

The Lebanese military denies cooperating with Hezbollah. Hezbollah frequently points to the military's weakness as a reason for its existence. Its critics accuse the militia of undermining the military.

"Hezbollah is taking the lead in everything, the government is powerless, even the state institutions are not able to do anything," said Samy Gemayel, a parliamentarian and head of the Kataeb party, a Christian party opposed to Hezbollah.

The U.S. has tried to strengthen the Lebanese and Iraqi militaries through equipment and training, but the governments of both countries are forced to compete with Iran's donations to their irregular forces.

With Islamic State a diminished force, U.S. officials now worry Tehran will try to establish a route from the Iranian capital through Iraq, Syria and onto Lebanon to provide military aid to proxies and allies.

Finnish Police Investigate Stabbings

By NINA ADAM

Police in Finland continued trying to reconstruct the sequence of events around a spree of stabbings deemed a terror attack that left two people dead and eight more injured in the Nordic country.

Authorities on Sunday interrogated the prime suspect, an 18-year-old Moroccan citizen who was shot and detained by police following Friday's knife rampage in the center of Turku, about 100 miles west of Helsinki, the National Bureau of Investigation said. The suspect, who is being treated for a gunshot wound to the leg, had refused to speak to police and is believed to have acted with an "ideological motive," said Stephan Sundqvist, superintendent for the police in Finland's southwest region.

The suspect arrived in Finland in 2016 and "has been in the asylum-seeking process," Mr. Sundqvist said. "It seems that he targeted primarily women," in Friday's attack, he said, while the injured men were most likely trying to stop the assailant.

Police said the two women stabbed to death were Finnish, while one Italian, one Swedish and one British citizen were among the wounded.

Investigators detained four other men after the rampage and said they have been willing to cooperate, though their involvement "has not yet been fully established." Police issued an international arrest warrant for a sixth person.

The Turku incident came less than 24 hours after Spain was hit by two vehicle attacks that killed at least 14 people.

TERROR

Continued from Page One
celona and reduced a house to rubble. Police are trying to identify charred human remains there.

At the site, "we found materials for explosives that are similar to the ones usually used by Daesh," or Islamic State, said Mr. Trapero. The terrorist group has claimed responsibility for the attacks.

If the investigation confirms the plot was as extensive as officials believe, it would represent a departure from recent European terrorist attacks, which have largely involved lone wolves rather than a network.

Spanish authorities expressed confidence Sunday they are close to apprehending the last remaining suspect, Younes Abouyaaqoub. They said all the others they suspect of involvement are dead or arrested.

The attack at Barcelona's Las Ramblas injured scores in addition to the dead. Hours after that van attack, a car drove into pedestrians in a town 75 miles to the southwest, Cambrils, killing one. A police shootout with those in the car killed all five.

Authorities said they are investigating whether Mr. Es Satty may have radicalized a group of young Muslim men of Moroccan origin in Ripoll. Some locals said the young men were becoming more fervent in their faith, attending the mosque more assiduously earlier this year and sometimes wearing djellabas, traditional robes of North Africa.

Townspersons in Ripoll were mostly mystified by the turn taken by a group who appeared well integrated in their local community. "We aren't able to say what the origin of the radicalization was," said Mr. Trapero, the police chief. "The Imam is one of our lines of investigation."

When local Muslim leaders in 2015 hired Mr. Es Satty as imam at one of the town's two mosques, they were unaware he had once been in prison, according to mosque officials.

Spanish authorities confirmed his imprisonment Sunday but didn't say what it was for. Authorities said he had contacts with someone with alleged links to terrorism. "He was a normal person," Mr. el Haji said.

When local Muslim leaders in 2015 hired Mr. Es Satty as imam at one of the town's two mosques, they were unaware he had once been in prison, according to mosque officials. Spanish authorities confirmed his imprisonment Sunday but didn't say what it was for. Authorities said he had contacts with someone with alleged links to terrorism. "He was a normal person," Mr. el Haji said.

Authorities are investigating Mr. Es Satty's contacts with the group of young men in Ripoll, who also had shown no signs of extremism, according to friends and family.

The group included Driss Oukabir, 28, and his 17-year-old brother Moussa, who banded together with the brothers Mohamed Hychami and Omar Hychami. Driss Oukabir, the only member of the group not killed in the police shootout in Cambrils, was arrested Thursday after authorities discovered the van used in Barcelona had been rented in his name. He denied involvement, saying his brother stole his identification to rent it, according to Ripoll's mayor.

Nuria Rifa, who went to primary school with the Oukabir brothers, remembers Driss as "a very sweet guy" happy to chat in the street when they met. His brother Moussa became "much more of a rebel" in recent times, she said, "but not unlike other kids. I never heard of him getting involved in any brawl or anything."

Police said Mr. Abouyaaqoub, the fugitive, may have been the driver of the van in Barcelona. He lived in an apartment building in a poorer area of Ripoll with many Moroccan immigrants.

Neighbors and friends said the boys mingled with locals, liked to party, regularly drank alcohol and rarely attended the mosque. Then, around the end of last year, they started becoming more observant.

The house that exploded was on the outskirts of Alcanar, a coastal town about 190 miles south of Ripoll where seasonal workers come to pick olives. It has fewer than 100 residents in winter.

Speaking of the house that exploded, some residents said they saw men going in and out for as long as a year, mostly after dark. One neighbor told of hearing noises coming from it late into the night.

This summer, the activity intensified, said Carmen Circi-



THE WALL STREET JOURNAL.



Two relatives of suspects attended an antiterrorism rally Sunday.

ALBERT GEA/REUTERS

umaru, who lives next door. She saw four young men going in and out throughout the day.

Fernando Grues-Esteve, a 70-year-old retiree living nearby, said he saw men driving up to the building in a small Volkswagen and on a green motorcycle, always keeping their helmets on. One neighbor described smelling a gas odor from the house one night last week.

Just before midnight Wednesday, residents heard two explosions in rapid succession and saw two fireballs, said Sarah-Lena Schenk, a German tourist on holiday nearby.

The suspects showed no sign of extremism but had grown more observant recently.

The next morning, the house was rubble. Authorities said Sunday more than 100 butane gas tanks had been found in it.

Mr. Es Satty, the Ripoll imam now suspected of involvement in the week's terrorism, stepped down from the mosque in June, saying he had to return to Morocco to deal with an inheritance. The group of young men then stopped going to the mosque as abruptly as they had begun, some friends said.

On Tuesday, the day before the Barcelona attack, Mr. Es Satty said he would finally be leaving Spain. Locals were surprised to spot him later in Vic, a neighboring city, where police later found one of the vans implicated in the attacks.

At the Cafeteria Esperanza, a Ripoll café frequented by Muslims, a patron said everyone knew the men. "Who ate their brains?" the patron said.

"It's not religion."

—Jeannette Neumann in

Barcelona and Marina Force in London contributed to this article.

WORLD NEWS

Trump Set to Detail His Afghan Strategy

BY PETER NICHOLAS
AND GORDON LUBOLD

President Donald Trump will give a nationally televised address Monday night to unveil his strategy for the long-running war in Afghanistan, the White House said, a plan expected to include sending as many as 4,000 more troops to the country.

He will deliver the prime-time speech from Fort Myer in Arlington, Va., using the same sort of high-profile stage that his predecessor, Barack Obama, employed in laying out a new approach to the war in 2009. Mr. Obama delivered his speech before a national television audience at the U.S. Military Academy in West Point, N.Y., promising at the time to "bring this war to a successful conclusion."

The speech is planned for 9

p.m. EDT.

Last week, Mr. Trump met at Camp David with his top advisers, including Defense Secretary Jim Mattis, national security adviser H.R. McMaster and Secretary of State Rex Tillerson, to discuss the way ahead in Afghanistan. Gen. Joe Dunford, the chairman of the Joint Chiefs of Staff, attended by videoconferencing from overseas.

On Saturday, the president tweeted that he had settled on an approach to a war that is now in its 16th year: "Important day spent at Camp David with our very talented Generals and military leaders. Many decisions made, including on Afghanistan."

The Afghanistan policy announcement marks a turning point for the president. In announcing the strategy himself, he gains ownership of the war

that he criticized as a candidate before inheriting it from two predecessors, Mr. Obama and George W. Bush. Mr. Trump has been criticized in national security circles for foisting his war policy on his generals.

Months ago, Mr. Trump empowered Mr. Mattis to increase the size of the force as needed. The defense secretary, who led troops there as a general before his retirement, pushed to get the White House to agree to a strategy first. Former White House chief strategist Steve Bannon and others embracing an "America First" strategy had cautioned Mr. Trump that there was no payoff in Afghanistan and to pull troops out.

Mr. Trump as a candidate called for drawing down the number of troops, but top military advisers and ultimately



Top advisers including Defense Secretary Jim Mattis discussed Afghan plans with the president.

Mr. Tillerson advised that he should not only retain but increase the troop levels to address a worsening security situation and to strengthen the advisory effort aiding the Afghan military. He was also advised to take a broader approach to the region that would include Pakistan.

Mr. Trump heads into this high-stakes period for his agenda at a time when his White House is in the midst of a reset. His new chief of staff, John Kelly, has been tightening operations in a West Wing that has failed to notch a major legislative victory.

Mr. Trump on Friday ousted

Mr. Bannon, the face of an economic nationalist approach that had discomfited some of the president's more mainstream advisers.

More staff departures could be coming as Mr. Kelly looks to impose more discipline on a staff riven by infighting, White House advisers said.

Attacks Put New Focus on Europe's Moroccan Diaspora

BY BENOÎT FAUCON
AND DAVID GAUTHIER-VILLARS

The alleged involvement in last week's terrorist attacks in Spain of a number of Moroccan nationals—one of whom is still at large—has Western security officials fretting over how deeply radical Islamic groups have penetrated a community of four million spread across the European Union.

Spanish authorities have said most of the 12-strong network they believe plotted and conducted Thursday's rampages in and near Barcelona were Moroccan nationals or of Moroccan descent. Islamic State has claimed responsibility for the attacks in which 14 victims died.

Concerns over the dispersion of Moroccan radicals, many of whom grew up in Europe, escalated further after Finnish po-

lice said a man suspected of stabbing two people to death in the provincial town of Turku on Friday was an asylum seeker from Morocco.

In a statement released Thursday, the Council of the Moroccan Community Living Abroad, which represents the country's diaspora, said it "condemns this abominable terrorist act" and appealed to its members "to reject terrorism and extremism and to intensify their efforts to defy the destructive ideologies which spread feelings of fear and hatred in societies."

Morocco's monarch, Mohammed VI, also expressed his country's "total commitment to international efforts seeking to address the plague of terrorism and eradicate it."

In Spain, investigators say they believe the group used a house in Alcanar, a seaside town



Rubble of a house where suspects were believed to be building bombs

southwest of Barcelona, to stockpile more than 100 gas canisters, and prepare their attacks. The finding, if confirmed, would suggest members of the Moroccan diaspora, possibly

without direct connections to Islamic State, succeeded in stealthily using a European base as an incubator to recruit and train young operatives before springing into action.

Ahead of last week's attacks, counterterrorism officials were worried that large Moroccan communities established in Spain, as well as in France and Belgium, provided fertile ground for the development of radical cells. That is in part because some members of those communities have access to steady flows of illicit revenue from the trade of cannabis resin, of which Morocco is the world's largest producer, one Western counterterrorism official said.

"Jihadi connections within Moroccan diasporas in Europe are becoming increasingly worrisome," the person said, citing ties uncovered in the past year between terrorism cells and Moroccans ensconced in Spain and Belgium.

After civil war broke out in Syria in 2011, scores of Moroccans, including former Guant-

amo detainees, faced little obstacles to travel to the Middle East and join radical groups. Earlier this year, Moroccan police said an estimated 1,600 nationals have rallied to Islamic State and other extremist groups in Syria and Iraq. Including Moroccans carrying passports from EU countries, the estimate rose to 2,500, police said.

Moroccan authorities initially didn't restrict this migration flow, according to Mohamed Ben Aissa, an expert with the Morocco-based Center for the Study of Terrorism and Extremism. "They treated the problem with some leniency," he said.

Morocco has since shifted to much tougher policy, cracking down on both networks that help recruit new fighters and those returning from combat zones, Mr. Ben Aissa said.

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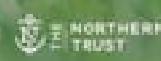
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WORLD NEWS

Koreas Brace for Next War Games

Long-planned drills between U.S., Seoul are set to start in wake of Pyongyang standoff

BY JONATHAN CHENG

SEOUL—A new cycle of escalation on the Korean Peninsula looks set to begin this week when the U.S. and South Korea kick off annual military exercises that have a history of enraging Pyongyang.

The long-planned drills follow weeks of belligerent rhetoric between the U.S. and North Korea that stoked fears of a catastrophic outcome. In what many saw as a slight easing of tensions last week, dictator Kim Jong Un said he would hold off for now before deciding whether to carry out a threat, announced days earlier, to fire missiles toward the U.S. Pacific territory of Guam.

The 10-day drills, known as Ulchi Freedom Guardian, will test whether North Korea's apparent easing of its immediate threat to Guam proves durable—or if the de-escalation was really a backdown at all.

U.S. officials have long said the exercises are intended to ensure readiness for a possible North Korean attack. Pyongyang, though, has characterized them as preparation for an invasion.

"They are conducting provocative saber-rattling such as joint air attack drills and combined ballistic-missile drills...rendering the situation extremely tense," North Korean state media warned last week.

In the war games beginning Monday, allied forces plan to finesse their cooperation. The Pentagon said on Friday that Ulchi Freedom Guardian features computer simulations of combat exercises, and would involve some 17,500 U.S. service members, including about 3,000 from outside the Korean Peninsula. Major units from all South Korea's armed forces will participate, along with forces from seven nations in-



South Korean marines patrolled on the coast of the eastern island of Ulleungdo during training exercises on Saturday.

cluding Canada, Australia, New Zealand and the U.K.

The military maneuvers would be similar in scale to last year's, the office of South Korea's Joint Chiefs of Staff said.

This week's exercises aren't as large as those the allies usually conduct in the spring. Still, analysts expect the North to react angrily, particularly if the U.S. deploys strategic assets such as an aircraft carrier or B-1B bombers. Pyongyang followed last year's drills by launching missiles and carrying out its fifth nuclear test.

Gen. Joe Dunford, chairman of the U.S. Joint Chiefs of Staff, last week declined to say whether the U.S. was planning to deploy more strategic as-

sets for this week's exercises.

The heightened stakes of any missile launch by Pyongyang were underscored last week by Defense Secretary Jim Mattis, who warned the U.S. and its allies would try to shoot down any North Korean missile deemed to pose a threat. "In the event of a missile launch towards the territory of Japan, Guam, United States, Korea, we would take immediate, specific actions to take it down," Mr. Mattis said.

China has called for a halt to the annual military exercises in exchange for curbs on Pyongyang's nuclear and missile programs. President Xi Jinping of China—the North's neighbor, ally and largest trading part-

ner—urged restraint during a phone call with President Donald Trump this month.

In an Aug. 14 editorial, the Global Times, a nationalistic Chinese tabloid, warned the military drills would provoke Pyongyang. "If South Korea really wants no war on the Korean Peninsula, it should try to stop this military exercise," it said.

Sen. Ed Markey (D., Mass.) is in the region to lead a congressional delegation that includes meetings with South Korea's President Moon Jae-in and stops at the China-North Korea border and the inter-Korean demilitarized zone. "We're at a stage of tensions that we have not seen for years," he said on Sunday. The

top Democrat on a Senate Foreign Relations subcommittee on East Asia matters, Mr. Markey said the U.S. should consider modifying the drills in exchange for a freeze on North Korea's weapons programs.

James Acton, co-director of the Nuclear Policy Program and a senior fellow at the Carnegie Endowment for International Peace in Washington, said Mr. Kim's decision not to carry out the attack last week may have been a way of laying the groundwork for a missile launch after the start of the U.S.-South Korean military exercises, which would give him more political cover.

—Kwanwoo Jun contributed to this article.

U.S. Ship, Tanker Collide Off Singapore

BY GORDON LUBOLD AND NANCY A. YOUSSEF

WASHINGTON—Ten American sailors were missing and five were injured after the guided-missile destroyer USS John S. McCain collided with a merchant vessel near the Straits of Malacca and Singapore, U.S. Navy officials said, making it the second destroyer accident in just over two months.

The Navy said search-and-rescue efforts are under way.

The Alnic, a nine-year-old oil-and-chemical tanker, was also on its way to Singapore, scheduled to arrive at about 11 a.m. local time, according to VesselsValue, a maritime information provider.

Its last reported location was east of Singapore and Malaysia where ships enter and exit the busy straits. VesselsValue records indicate the oil tanker wasn't holding cargo at the time of the collision. There wasn't any initial word on the damage to the merchant vessel, a 600-foot tanker, the U.S. Navy said.

Singapore's Ministry of Defense and coast guard didn't immediately respond to requests for comment.

Ship collisions are extremely rare, even in congested waters like those around Singapore's coast. But the accident comes days after the Navy released an initial report on the June 17 collision of the USS Fitzgerald, which hit a merchant ship, the ACX Crystal. Seven American sailors died in that accident, and the Fitzgerald's captain, the executive officer and the senior enlisted sailor were relieved of command.

The McCain had just conducted a freedom-of-navigation operation in the South China Sea, navigating to within 12 nautical miles of Mischief Reef, one of a chain of disputed islands.



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WORLD NEWS

Tourism Boom Bogs Down Iceland

Country strains under the weight of millions of annual visitors, a victim of its own success

BY NINA ADAM

REYKJAVIK, Iceland—This country's tourism push helped save the once-remote island from a deep economic crisis, but now that business is booming the North Atlantic nation is straining under the weight of the windfall.

Attracted by its spectacular volcanic landscape and easy air routes, about 2.2 million tourists are expected to flow into the country of 330,000 people this year, almost five times as many as in 2010, according to the International Monetary Fund. Tourism is now the country's biggest industry.

The scale of the tourism explosion has caught the government unprepared, leaving infrastructure strained and outnumbered Icelanders complaining about scarce housing, rising rental prices and roadside litter.

"We wanted more tourism and we worked hard to make it happen....But this immense growth was not something that anyone could foresee," said Sigrun Brynja Einarsdottir, a top Department of Tourism official.

Tourism has been a mixed blessing for many destinations across the world. A rise in budget travel and an emerging Chinese middle class have contributed to a welcome rise in visitor spending, but also afflicted fragile locations from Bali to Venice.

Iceland has come a long way back since 2008, when its overleveraged banking system collapsed and unemployment shot up. The local currency, the krona, has strengthened, and the economy grew by 7.2% in 2016—the fastest pace among developed economies. The government this year removed almost all of the remaining capital controls imposed in the crisis.

The influx of tourists, a majority of them American



Visitors pose with icebergs that calved from glaciers in Jokulsarlon, Iceland. The nation expects some 2.2 million tourists this year.

and British, dates to the 2010 eruption of the Eyjafjallajokull volcano, which sent ash clouds across Europe and disrupted air travel.

The government responded with a marketing campaign that drew global attention to Iceland's magnificent geysers, milky blue waters and craggy landscapes. Supported by a currency still recovering from the crisis and airlines offering free stopovers on their intercontinental routes, visitors flocked here.

For some, the tactic has worked too well. On the streets of the capital—a compact city of brightly colored houses where the tallest building until recently was the landmark 240-foot Hallgrimsdkirkja church—some normally placid Icelanders have begun to grumble.

Once-pristine sites are now crowded, and streets are clogged with rental cars. Building new hotel capacity takes time, so the country

has turned to platforms like Airbnb—a trend, economists say, that has helped to push up house prices.

The government recently required official registration for home sharing and business licenses for people who rent out their accommodation for more than 90 days a year or make more than about \$18,000 in rental income.

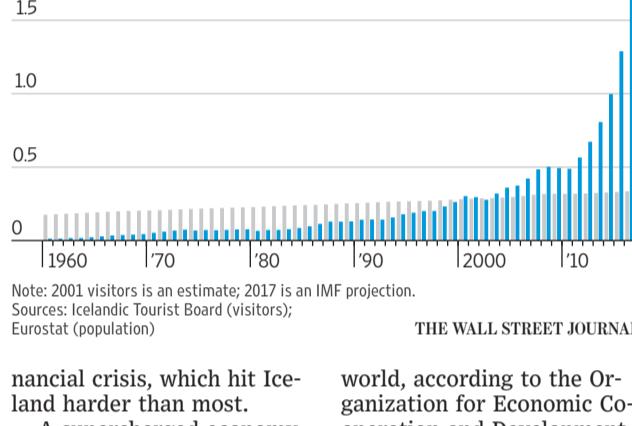
The government has also taken measures to upgrade Iceland's roads, bridges and parking lots. Responding to outrages over bad tourist behavior, it has put more toilets and garbage cans in the countryside.

With American tourists outnumbering Icelanders, demand for embassy services—such as the replacement of lost passports—has risen sharply, said Jill Esposito, chargé d'affaires at the U.S. Embassy in Reykjavik.

To some, it all seems worryingly familiar. The pace of growth is reminiscent of the years leading up to the fi-

Mixed Blessing

The number of visitors to Iceland has jumped in recent years, straining infrastructure and pushing up housing prices.



Note: 2001 visitors is an estimate; 2017 is an IMF projection.

Sources: Icelandic Tourist Board (visitors); Eurostat (population)

THE WALL STREET JOURNAL.

nancial crisis, which hit Iceland harder than most.

A supercharged economy hasn't only sparked a stronger krona and higher home prices but also spurred demand for labor, driving up wages. Iceland's unemployment rate in May was 2.6%, the lowest in the developed

world, according to the Organization for Economic Cooperation and Development.

Although Iceland's economy is on a firmer footing than the last time it grew this fast, "overheating risks are a clear and present concern," the IMF said in a recent report.

WORLD WATCH

INDIA

Train Goes Off Track In North, Killing 23

Six coaches of a passenger train derailed in northern India on Saturday, killing 23 people and injuring at least 81, officials said.

Neeraj Sharma, a railway spokesman, said the incident took place near the small town of Khatauli, in the state of Uttar Pradesh. The cause of the derailment wasn't immediately known.

Railway police and local volunteers helped pull passengers out of the overturned coaches of the Kalinga-Utkal Express, which connects the Hindu holy city of Haridwar with the temple town of Puri, in the eastern state of Orissa. —Associated Press

SOUTH AFRICA

Zimbabwe First Lady Is Granted Immunity

The government granted diplomatic immunity to Zimbabwe's first lady, Grace Mugabe, who allegedly assaulted a young woman who had been socializing with Ms. Mugabe's sons in a Johannesburg hotel.

In a notice published in South Africa's government gazette on Sunday, Foreign Minister Maite Nkoana-Mashabane said she recognized Ms. Mugabe's diplomatic immunity, "acting in the interest of the Republic of South Africa."

Ms. Mugabe returned to Zimbabwe early Sunday with President Robert Mugabe, who at 93 years is the world's oldest head of state, cutting short his appearances at a summit of the South African Development Community in Pretoria, Zimbabwean state broadcaster ZBC said. South Africa's police ministry said last Wednesday that the 52-year-old Ms. Mugabe, who rose from working as Mr. Mugabe's secretary to one of his potential successors, had sought diplomatic immunity after she allegedly beat 20-year-old Gabriela Engels with an extension cord.

Representatives for Mr. and Ms. Mugabe didn't respond to calls seeking comment.

—Gabriele Steinhauser



President Vladimir Putin, right, and Vladislav Surkov during a visit to Kurgan, Russia, in 2012.

Kremlin Envoy Played A Role in Eastern Ukraine

BY JAMES MARSON

MOSCOW—When American envoy Kurt Volker meets his Russian counterpart Monday to try to restore peace in eastern Ukraine, he will be sitting across the table from no ordinary diplomat.

Vladislav Surkov, Moscow's point person, is a powerful Kremlin adviser who has played a central role in encouraging, organizing and managing the pro-Russia separatists fighting against Ukraine's central government, according to former rebel leaders and Ukrainian and Western officials.

A top aide to Russian President Vladimir Putin, Mr. Surkov has been involved with the rebels, who hold sway over territory in eastern Ukraine, since early 2014, shortly after Russian forces seized the country's Crimean peninsula, these people say. He is under U.S. and European sanctions for his role in the annexation of Crimea.

"Putin is the father" of the separatist movement, said Valentyn Nalyvaichenko, who headed Ukraine's security agency during the first 15 months of the insurgency. "Surkov is the babysitter."

Mr. Surkov didn't respond to questions sent via the Kremlin press office.

Mr. Surkov, 52, is a former

public-relations executive who served in military intelligence in the 1980s, according to people familiar with his biography. In the 2000s, he served as Mr. Putin's deputy chief of staff and helped design the Russian leader's tightly controlled political system.

As protests against pro-Russian Ukrainian President Viktor Yanukovych turned violent in early 2014, Mr. Surkov shuttled to Ukraine to meet with Mr. Yanukovych, politicians and businessmen close to him, as well as political leaders in Crimea, according to Mr. Nalyvaichenko and another Ukrainian official.

Mr. Yanukovych later fled to Russia and a new government took power.

In March, small protests began in some parts of eastern Ukraine near the Russian border. The target of their ire: what the demonstrators saw as the growing embrace of the West by the new government and fears, fanned by Russian propaganda, that new authorities were controlled by nationalists bent on destroying Russian culture in Ukraine.

Mr. Surkov began to reach out to the local activists, according to one of them, gathering information.

In May 2014, a group of se-

curity-service veterans and a public-relations executive ar-



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IN DEPTH

TRUMP

Continued from Page One

Last week saw a parade of top executives distancing themselves from the president, in some cases sharply, in response to his comments about racial violence in Charlottesville, Va. Once executives started quitting the president's advisory councils, the groups disbanded, a rare instance of companies putting themselves squarely into the political sphere.

"The social issues became too difficult to navigate," said Ms. Wylde.

Charlottesville was the tipping point, not the cause. Behind the scenes, some executives say, ties had been growing strained for months.

Then-Uber Technologies Inc. CEO Travis Kalanick, initially a supporter of Silicon Valley engaging the president, was the first to quit a White House council in early February, following employee pressure and a social-media backlash relating to Uber's response to the president's proposed travel ban.

David Crane, former CEO of power company NRG Energy Inc., and now senior operating executive at Pegasus Capital Advisors, said the president's decision to withdraw from the Paris climate accords, despite intensive industry lobbying, "was seen as a slap in the face by many executives."

The Twitter threat

From the beginning, many were uneasy about Mr. Trump's habit of calling companies out by name on his Twitter account—even for praise.

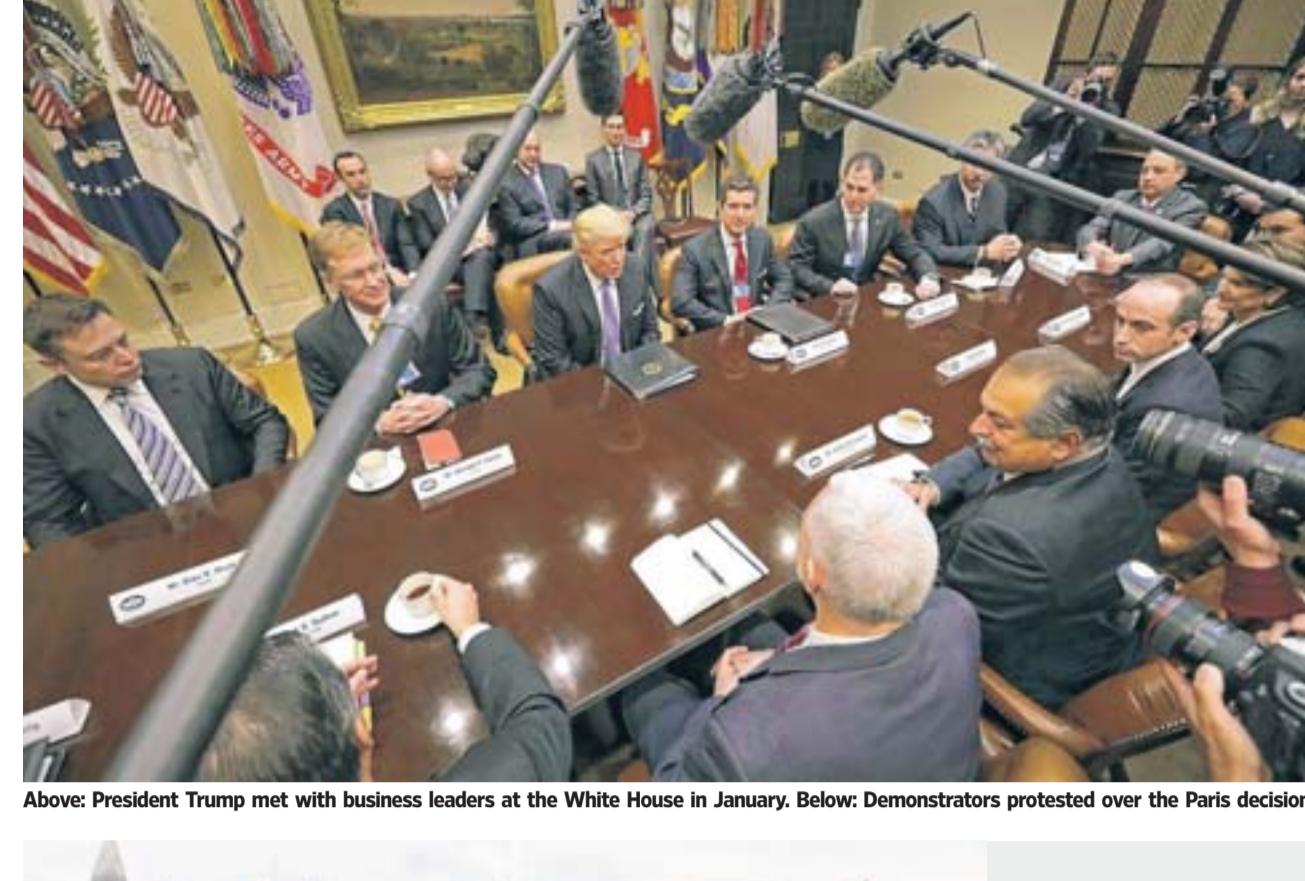
Apple Inc. executives chose to bite their tongues when in July the president incorrectly portrayed the company's plans to build plants in the U.S. Similarly, Merck & Co. chief Kenneth Frazier and Walt Disney Co. CEO Robert Iger chose to overlook issues where they and the White House differed so they could have a voice in deliberations, according to industry executives and Mr. Iger.

As early as February, the heads of two dozen manufacturers got a taste of the president's style. At a White House meeting to discuss job creation, Mr. Trump urged General Electric Co.'s Jeff Immelt to share how the president hit a hole-in-one during a golf game they played together. At GE's next board meeting, directors ribbed Mr. Immelt for telling the story, according to a person familiar with GE. (Mr. Immelt stepped down as GE's CEO this month but remains chairman.)

By June, CEOs on the White House councils were already discussing whether to disband them, because of the time commitment and the increasing costs of a close association with the White House.

"It's not in the mandate of a company to enter politics, but CEOs are politicians, too," said Eric Dezenhall, a Washington consultant who helped companies respond to Charlottesville. "They have their own bases and constituencies of employees and consumers and shareholders that they also have to navigate."

The question now is whether Mr. Trump can win them back. During President Barack Obama's two terms, CEOs often felt like they were treated as bystanders, and some hold out



Above: President Trump met with business leaders at the White House in January. Below: Demonstrators protested over the Paris decision.



CHIP SOMODEVILLA/GETTY IMAGES/TOP/SUSAN WALSH/ASSOCIATED PRESS

hope for working with the administration.

Kevin Burch, president of Dayton, Ohio, trucking company Jet Express Inc., said recent events shouldn't overshadow policy goals. His industry wants a seat at the table for many of the same reasons that attracted CEOs in the first place.

"The president's a business guy," he said. "We think infrastructure is something he can really get his arms around and get some movement."

Larry Kudlow, a commenta-

councils, a standard and often ineffective device used by administrations of all political stripes, had outlived their purpose. Trump aides said they retained open lines to business leaders. "We have an incredible amount of CEOs that want to give us their advice and guidance," one official said.

When Mr. Trump announced his bid for the presidency, few prominent business figures, apart from venture capitalist Peter Thiel, threw their support behind him. By the end of August 2016, not one CEO at the nation's 100 largest companies had donated to his campaign, according to a Wall Street Journal analysis.

During the transition and the early days of the presidency, many felt a cautious optimism. Stephen A. Schwarzman, CEO of investment firm Blackstone Group, declared a new era for economic growth at January's World Economic Forum gathering in Davos, Switzerland.

Declining to work with Mr. Trump risked incurring his wrath on Twitter. Drug company executives such as Johnson & Johnson CEO Alex Gorsky and Merck's Mr. Frazier worried not engaging the president—who had criticized drugmakers as "getting away with murder"—might make it easier for

his administration to give Medicare the power to negotiate and lower drug prices, according to industry officials.

Not on the invite list

Connecticut-based United Technologies Corp. had been targeted by Mr. Trump on the campaign trail over plans to ship jobs from its U.S.-based Carrier Corp. subsidiary to Mexico. The company and the president-elect later struck a deal after the election to keep some jobs in Indiana.

CEO Gregory Hayes appeared at the White House early on a rainy January morning for the president's first meeting with corporate chieftains. It was an inauspicious start. Mr. Hayes was left waiting outside the gate and eventually left. His name had been left off the list of invitees, according to people familiar with the incident.

Mr. Trump's initial immigration ban, imposed days after his inauguration, posed the first major test. Some tech companies had immigrant employees stranded outside the U.S. Employees at technology firms in particular were restive.

Microsoft Corp. initially issued a neutral-sounding statement stressing the importance of immigration. A day later, it

sharpened the tone, calling the policy a "fundamental step backwards."

By early February, more than 130 mostly tech companies had joined legal action against the ban, which proposed temporarily barring travel from some Muslim-majority countries. The administration said the policy, now tied up in the courts, was needed to combat terrorism.

Executives on the president's strategic and policy forum were unhappy, but disbanding wasn't on the table, people familiar with the group's discussions said. Instead, members discussed whether to confront Mr. Trump about the policy during the group's first meeting in February.

There, Tesla Inc.'s Elon Musk kicked off the criticism, which participants said Mr. Trump acknowledged.

Executives took heart that the president could be persuadable. At the same meeting, Mr. Trump asked J.P. Morgan Chase & Co. chief James Dimon to back his argument that China was a currency manipulator.

Mr. Dimon disagreed, according to people familiar with the meeting.

"They're not, Mr. President," he said. "They're defending their currency." Gary Cohn, the White House's economic adviser, and other members expressed

similar views. Mr. Trump backed off the subject, and two months later, his administration chose not to tag China with the label of currency manipulator.

Walt Disney CEO Mr. Iger, the target of online petitions with hundreds of thousands of signatures calling for him to withdraw from the business council, responded at a March shareholder meeting that his participation didn't mean he agreed with all Trump policies.

Quoting a song from the Broadway hit "Hamilton," he said remaining on the council gave him a voice "in the room where it happens."

Others bit their tongues. When in a July interview Mr. Trump told the Journal that Apple CEO Tim Cook had promised to build "three big plants, beautiful plants" in the U.S., Apple declined to comment publicly.

Though Mr. Trump had incorrectly portrayed Apple's U.S. plans, Mr. Cook didn't openly challenge the president because "it would have been a tweet war," according to a person familiar with the company.

Over the months, leaders brooked to their boards and families over whether they should take a stand against the president, according to leaders and corporate advisers.

"Informal conversations among board members often revolved around 'what do you tell your kids?'" said Leslie A. Brun, Merck's lead director and CEO of Sarr Group LLC, an investment holding company.

Doubts over Paris

Some business leaders broke with Mr. Trump after the June decision to withdraw from the Paris climate accord.

Dozens had publicly urged the president to keep the deal.

Within hours of Mr. Trump's decision, Mr. Iger and Mr. Musk quit the presidential council. Mr. Iger told only a few senior executives at Disney about his decision before announcing it in a tweet, according to a person close to the CEO.

By then, individual members of both main business advisory councils had been discussing disbanding them, given they had met only a few times, according to participants. The discussion picked up steam in July, when Mr. Trump moved to bar transgender people from serving in the military, they said.

In recent weeks, IBM's Ms. Rometty and Boston Consulting Group head Rich Lesser asked Mr. Schwarzman, the head of the strategy advisory council, about the future of the group and its effectiveness, given the pressure they were under from employees and the public, said people familiar with the group.

On Sunday night, after the president's initial Charlottesville response, Merck's Mr. Frazier called Mr. Brun, the Merck lead director, to tell him that his conscience wouldn't permit him to stay on the manufacturing council, Mr. Brun said. Under Armour Inc.'s CEO Kevin Plank soon followed, along with Intel Corp.'s Brian Krzanich.

After Mr. Trump's Tuesday news conference, in which he apportioned blame equally between hate groups and people protesting them in Charlottesville, other executives said they had no choice but to go.

—Ted Mann, Jonathan Rockoff, Andrew Tangel and Ben Fritz contributed to this article.

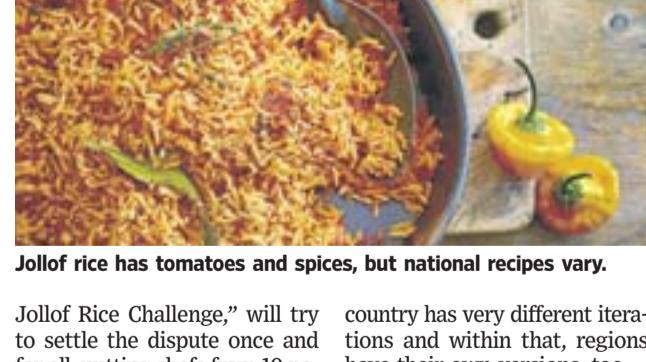
RICE

Continued from Page One food," she added. "When the jollof talk becomes too heated, I just leave the conversation."

In March, an election campaign event in Northern Ghana had to be canceled after supporters faced off over which party had made the best jollof, local media reported. In Nigeria, protesters called for the resignation of Information Minister Lai Mohammed after he said on television that Senegal's version was superior. Vice President Yemi Osinbajo released a statement the following day calling for calm: "We all know that Nigerian jollof rice is the best; we beat the Ghanaians and the Senegalese hands down."

Mr. Zuckerberg's apparent endorsement of Nigerian jollof while visiting Lagos last summer set off a storm of celebrations in Nigeria and howls of protest elsewhere. "I was told not to compare the jollof rice of neighboring countries," Mr. Zuckerberg said, after tasting the Nigerian variety. "But my god, it was awesome."

Now a new TV show, "The



Jollof rice has tomatoes and spices, but national recipes vary.

Jollof Rice Challenge," will try to settle the dispute once and for all, putting chefs from 10 nations head to head in a Lagos contest being billed as Pop Idol meets MasterChef. "This is the Super Bowl of jollof rice," said Felix King, the show's producer, who plans to screen it on Aug. 21, World Jollof Day, and show it in 42 countries. The show's judges will be blindfolded to stop national pride from influencing their palates. "Enough of the talk—it's time to crown the real king," he said.

Other than including rice, tomatoes and spices there is no agreed upon standard. Each

country has very different iterations and within that, regions have their own versions, too.

Ghanaians say their insistence on basmati rice, which better absorbs their slower-cooked tomato sauce, gives their iteration more sophistication. Nigerians say cooking their jollof in cast-iron pots over firewood gives it a more smoky, umami flavor. Senegalese say adding tamari and pouring extra palm oil at the base of the pan gives their jollof a cro-cro—or rice crust—and a crunchy competitive edge.

The largely good-natured "rice rage" has become a proxy

clash over national identity, rivalries, and pretensions of regional leadership.

The debate has been supercharged by diss tracks from the region's top Afrobeat stars. Ghanaian rapper Sister Deborah's "Ghana Jollof" extols her country's superiority over Nigeria, with video showing crowds of Nigerian men tearfully converting to Ghana's recipe. "Ghana jollof, Ghana jollof—Yummy!... Nigerian jollof—hmmm, it tastes funny," she sings.

Regional jollof combat has

even begun reaching diaspora communities.

In Washington last month, Nigeria struck an early blow in the city's inaugural jollof-off, winning first prize

in a festival that drew hundreds

of rice aficionados and entries from several other countries.

The largely jovial tone of the

jollof tussle contrasts with culi-

nary politics in parts of Europe

and the Middle East: The so-

called falafel wars among Pale-

stinians, Israelis and Lebanese

have become a proxy for re-

gional conflicts. Turks, Greeks

and Armenians have for cen-

turies sparred bitterly over a host

of foods once eaten in the Otto-

man Empire, including baklava.

Pierre Thiam, a Senegalese

chef who runs restaurants in Brooklyn, Dakar and Lagos, says the "jollof wars" are more like sibling rivalry: "Yes the different jollof recipes divide us but it's also what unites us as Africans."

Mr. Thiam said one particu-

larly piquant aspect of the de-

bate is that neither Ghana nor

Nigeria invented the dish. It

hails from the Wolof tribe in

what is now Senegal and Gambia.

"There's no doubt, Senegalese jollof is the original and best!" he added. "We're laughing at Ghana and Nigeria fighting over a dish we created."

The warring West African

camps even agreed to a short-term cease-fire in 2014 in re-

sponse to the jollof recipe of

British celebrity chef Jamie Oliver, who took the sacrilegious

step of adding coriander, pars-

ley and lemon juice. The epi-

ode—which became known as

#jollofgate—was met with

howls of derision and forged a

fleeting moment of West Afri-

can unity. "Our plates will not

be colonized!" said one Twitter user. "Jamie Oliver's jollof rice hurts my soul," said another.

Mr. Oliver's publicist issued a statement saying the chef was just "putting his spin on the dish" and meant no offense.

On the streets in both Accra and Abuja, the different recipes can draw very different emotional, and physical, reactions.

"The Nigerian is more natural,

but the Ghanaian is so spicy

that you end up on the toilet,"

says Onyeche Saliu, chef at the Omo Obokun Canteen in Nige-

ria's capital, who estimates that she has made 150 portions of jollof daily for 20 years. "We get plenty of Ghanaians here. They sometimes complain."

What Ms. Saliu calls "natural," many Ghanaians translate as "flavorless." Ghanaian artists and commentators have mocked

Nigerians for using a Maggi-

brand stock cube as a substitute

for a natural jollof sauce borne

by a slower-cooked infusion of

the ingredients. In the hit track "I Need Jollof" by the Ghanaian Afrobeat artist Fuse ODG made light of the endless battle between Ghanaians, Nigerians, Si-

rian Leonards and Liberians.

Nigerian blogger Ms. Yemmie

says she has a special message to all Africans, whatever their preference.

"Whenever anyone is down

from anywhere in this region, I

tell them this: 'Don't let anyone treat you like white rice; you're

<p

GREATER NEW YORK

Budget Woes Stress Schools

By JOSEPH DE AVILA

Connecticut's budget impasse has left schools in limbo, forcing districts to put hiring decisions on hold and making others delay the start of school.

An executive order signed by Gov. Dannel Malloy, a Democrat, has funded state operations since the new fiscal year began July 1. The state Legislature failed to pass a budget before the end of the last fiscal year for the first time since 2009, and there is still no clear indication of when an agreement will be reached to close the state's \$3.5 billion deficit.

The lack of a state spending plan has created uncertainty for towns and schools districts because they don't know how much money to expect from Connecticut.

Denise Clemons, superintendent of schools in Torrington, Conn., said her district had to delay the start of

school by three days to open on Sept. 5 because the state budget crunch caused cash flow problems for the town. "It's a travesty," said Ms. Clemons, who runs a district with about 4,000 students.

Districts can't plan because they don't know how much state money to expect.

Mr. Malloy signed a revised executive order on Friday that prioritizes funding for the Connecticut's lowest-performing school districts. That executive order resulted in a \$20 million cut for Torrington schools, which has an overall annual budget of about \$74 million.

The Legislature could restore the funding for Torrington and other school dis-

tricts when it passes a budget. But for now, Ms. Clemons said the uncertainty has created a stressful situation for her district. "I can't even describe the feeling of angst that a lot of people are having right now," she said.

Mr. Malloy on Friday defended his decision to prioritize funding for the state's lowest-performing school districts and said those students need the most help. The governor said he would have preferred if the Legislature had passed a stopgap budget he proposed that would have provided more across-the-board school funding.

"This is far from optimal," Mr. Malloy said during a news conference. "This is something that I've done my best to avoid."

Fran Rabinowitz, executive director of the Connecticut Association of Public School Superintendents, said she surveyed 30 districts in rural, suburban and urban areas of

the state. In those districts, 67 jobs already have been cut and another 372 potential new positions are on hold because of the budget delay.

"In August, not knowing as a district what you will receive causes tremendous anxiety," he said.

Nick Mercier, president of the board of education for New Britain, Conn., schools, said his district has frozen discretionary spending and professional development.

Mr. Malloy's executive order signed Friday keeps state funding flat for the district with about 10,000 students at about \$86 million for a total school annual budget of about \$160 million. The district had expected an \$8 million increase for the school year.

Still, Mr. Mercier said the district isn't counting on that \$86 million in state funding until the Legislature passes its spending plan.

"We are treating it as if we



Connecticut teacher Nancy Rosenzweig prepared for the school year.

don't know when the next check is coming from the state or what that check is going to look like," he said.

Mark Benigni, superintendent of schools in Meriden, was among the districts that received the same money from the state's main education funding program as last year under Connecticut's executive order, which provides about \$60 million in an overall budget of \$110 million. Mr. Mal-

loy's executive order, however, cut about \$1.5 million in other grants, which could fund after school and tutoring programs among other initiatives.

Now, Mr. Benigni said he is nervously watching the calendar as October approaches. If the state hasn't passed a budget by then, he would have to consider cutting positions, he said. "We won't breathe easy till we know the budget is in place," he added.

In Castle Competition, Beach-Goers Vie for the Crown



AGAINST THE GRAIN: A regal sculpture attracts attention at the 27th annual Coney Island Sand Sculpting Contest.

Contest Heats Up for City Council Speaker

By MARA GAY

In a quiet summer in New York City politics, one behind-the-scenes race has served as a major exception.

More than half a dozen Democratic lawmakers are locked in battle for City Council speaker, the second-most powerful role in New York City government and one that can serve as an important check on the mayor. The body has oversight of the city's some \$85 billion budget, and controls much of its land-use process.

The speaker isn't chosen by voters but by the body's 51 members. With current speaker Melissa Mark-Viverito, a Democrat, set to leave office at the end of the year due to term limits, the race to succeed her has been fierce.

All summer, the eight candidates have gone to great lengths—literally—to win the support of their colleagues.

They have knocked on doors in faraway council districts to assist colleagues facing serious primary challenges, sometimes sending armies of volunteers from their own campaigns. They have sought the backing of powerful party bosses and union leaders. And they have spent their summer vacations crisscrossing the city to win over the most important voters in the race—each other.

"I can write a book called the 'End of the Line,' because I've been to the end of the line on every subway line," said Manhattan Councilman Corey Johnson.

In 2014, a quiet lobbying blitz by Mayor Bill de Blasio, a Democrat, helped nudge Ms. Mark-Viverito over the top to win the speakership. This year, members say the mayor's influence has waned. A spokesman for Mr. de Blasio didn't respond to a request for comment.

With little philosophical differences between the candidates, who virtually are all liberal, the race has become a test of raw political mettle.

Many have spent thousands on political consultants. Queens Councilman Donovan Richards said he had hired one



Melissa Mark-Viverito

such consulting firm as a way of "making sure I'm speaking to the right people."

Some have ties to influential unions like Mr. Johnson, who is favored by the New York Hotel Trades Council, according to people familiar with the matter.

Manhattan Councilman Ydanis Rodriguez and Brooklyn Councilman Jumaane Williams, both in the race, said they had traveled hours to meet their colleagues in their districts and make their cases. "It turns out it's a big city," Mr. Williams said.

Bronx Councilman Ritchie Torres said he was free to campaign constantly. "I have no partner, I have no children."

Manhattan Councilman Mark Levine said it felt, at times, like something of a popularity contest. "Some people call the City Council a group of 51 class presidents. So now you're running to be the class president of those class presidents," the candidate said.

Some lawmakers have amassed large fundraising hauls to share with colleagues in need who may support them for speaker in return.

The speaker also has large sway over what bills are fast-tracked or blocked. And that person has the authority to hire dozens of council staffers.

"It's not just the speakership. Virtually everything is up for grabs," said Queens Councilman Jimmy Van Bramer, who is making a bid.

Brooklyn Councilman Robert Cornegy, a speaker candidate, didn't respond to requests for comment.

Choices Abound for Viewing the Eclipse

By MARIANA ALFARO

As the moon largely blots out the sun Monday afternoon, New Yorkers will have myriad ways to enjoy the event.

The celestial spectacle is the first total solar eclipse to cross the continental U.S. from coast to coast since 1918.

It is expected to pass over New York City starting at 1:23 p.m. Though the city isn't on the eclipse's path of totality, the moon will still cover about 75% of the sun at its peak at 2:44 p.m.

The day should return to normal at about 4 p.m.

That gives plenty of time for New Yorkers armed with eclipse glasses or pinhole cameras to catch a glimpse of the display.

Several companies, such as Warby Parker, offered free



Companies offered free solar-eclipse glasses for viewing the event.

eclipse glasses in the city.

Rick Fienberg, a spokesman for the American Astronomical Society, said "anybody who waited till now to buy eclipse viewers waited too long."

"Astronomers have been

talking about this event for months," he said. "But nobody outside the path of the total eclipse would listen until now."

Luckily for locals who dithered, organizations such as the New York Public Li-

brary System and the Amateur Astronomers Association of New York will hold eclipse-watching events across the city.

New Yorkers looking for viewing spots with alcoholic offerings can find a number of watch parties in city es-

tablishments.

Bungalow Bar at Rockaway Beach, for example, prepared by ordering 500 pairs of special glasses and crafting an "eclipse cocktail."

"It's specific to the event," said Terence Tubridy, the bar's owner. "We were just researching potential cocktails that would kind of give the effect of a solar eclipse where there's light colors and it gets covered halfway."

Free glasses also will be available at numerous New York City libraries with watch events.



A highball machine at Kinfolk 90 in Brooklyn ensures the desired 3-to-1 ratio of fizzy water and Scotch-like whisky from Japan.

This Drink Is Not Your Father's Whisky Soda

By CHARLES PASSY

At Kinfolk 90, a bar in Brooklyn's Williamsburg neighborhood, patrons can enjoy everything from an Italian riff on the Manhattan cocktail to a super-hopped India pale ale. But many customers are opting for a whisky and soda.

Then again, this isn't your typical version of the classic drink. The booze is a Scotch-like whisky from Japan. And it is delivered via a beer tap-like device that ensures the desired 3-to-1 ratio of fizzy water and alcohol.

The cocktail, simply called a highball, is a mainstay at bars in Japan, where such machines are common. And to hear some proprietors of New York establishments tell it, the drink could be the next big

thing in the city.

The cocktail's appeal is rooted in its simplicity, noted Kinfolk 90 General Manager John Van Lieshout. But the machine "adds a degree of artistry to it," he said. The bar can sell up to 50 of the \$12 cocktail on a busy night, he added.

Mr. Van Lieshout also flavors his highballs with some grapefruit essence, delivered as a finishing mist via a spray bottle.

Kinfolk 90 is the first bar in New York City with a highball machine, having purchased it from Beam Suntory, the booze conglomerate that is one of the dominant names in the burgeoning Japanese whisky market, he said.

Mr. Van Lieshout wouldn't reveal what the bar paid, but a

Beam Suntory official said the price tag is in the four figures.

Beam Suntory hopes to have the machine, which it says is tailor-made to be used with its Toki whisky, in at least 10 New York bars by early 2018 and in "dozens" of establishments during the next five years.

Meanwhile, other New York City bars are coming up with their own carefully crafted version of the highball, working with the same key ingredients of Japanese whisky and carbonated water.

At Copper & Oak on the Lower East Side, for example, owner Flavien Desoblin insists on using a sparkling water from Spain that he said adds just the right zip.

The interest in the highball speaks to how New York City

bars always are in search of the next "it" drink, be it cocktails made with baijiu, a potent Chinese spirit, or the frozen rosé concoction known as frosé.

The popularity of the Japanese highball also speaks to the growing interest in Japanese whisky, which some connoisseurs see as a more refined version of Scotch.

The category got a major boost in 2015 when Jim Murray, a well-known spirits writer, named a version of Yamazaki, a Beam Suntory whisky, as the best in the world in his annual survey.

But the highball allows the spirit to be enjoyed in a different context with the addition of carbonated water. Spirits experts say it is a more refreshing way to sip whisky.

GREATER NEW YORK

Companies Are Testing Brooklyn's Office Market

By KEIKO MORRIS

Samuel Rudin, the late patriarch of one New York's oldest real-estate dynasties, built the family's portfolio with a rule: If a property wasn't accessible by subway, he wasn't interested.

Now the Rudin family is tweaking that rule, adding another mode of transportation—a ferryboat.

PROPERTY The Rudin family and office giant Boston Properties Inc. are building a 675,000-square-foot office building on the Brooklyn Navy Yard's waterfront. Called Dock 72, the 16-story tall structure stretches along a finger of land near working dry docks on the East River. Its riverfront doorstep will serve as a stop on a ferry route from lower Manhattan.

The Rudin family is saying "if you can't get there by subway and ferry, we don't want to own it," said Bill Rudin, Samuel Rudin's grandson and chief executive of Rudin Management Co. "People's communication has totally changed."

Dock 72—anchored by a 220,000-square-foot lease with global co-working firm WeWork Cos.—is part of a development surge in Brooklyn's emerging office market, where more than 3 million square feet of space is under construction.

The project is one of several, including a 500,000-square-foot mixed-use development in Williamsburg, that industry executives are watching to see if enough appetite for office space exists from both homegrown Brooklyn companies and larger Manhattan firms. Dock 72 is expected to open next summer.

In the second quarter of this year, Brooklyn office leasing reached 661,157 square feet, a 36% increase from the same period in 2016, according to a report from Cushman & Wakefield.

A report from real-estate services firm JLL noted, however, that larger lease deals would be necessary to support the existing development pipeline. Many of the high-profile lease deals completed in Brooklyn during the last two years have been under 100,000 square feet.

"You haven't had that big pop to establish Brooklyn as its own office market, as opposed to a complement of Manhattan as a primary market," said Gabe Marans, corporate managing director at real-estate service firm Savills Studley. "But I think it will happen. It's just a matter of time."

WeWork's co-working space is expected to bring small entrepreneurs that could expand into larger spaces in the build-



A rendering of Dock 72, an office complex that developers hope will attract a mixture of companies to the Brooklyn Navy Yard.

ing, Mr. Rudin said. At the same time, the team expects the project to draw a mix of small businesses and larger companies, some native to the borough and others from outside looking to rebrand themselves, he said.

Connecticut-based United Technologies Corp. is one example of an outside firm looking to plant a flag in Brooklyn, Mr. Rudin noted.

The company, which provides high-technology systems

for the building and aerospace industries, announced earlier this year that it planned to hire 250 people to work and focus on innovation at the Empire Stores redevelopment in the Dumbo section of Brooklyn.

The Brooklyn Navy Yard's main mission is to create a modern manufacturing hub and generate those types of jobs for the surrounding communities. WeWork's presence is part of the yard's commitment to supporting small businesses,

said David Ehrenberg, president of the Brooklyn Navy Yard Development Corp.

The location is considered by some to be transportation-challenged, with the closest subway stop about a 15-minute walk. But the development team noted the project has a number of options.

Ferry service offers connections from Manhattan as well as other points in Brooklyn. The Navy Yard itself offers shuttles to and from train stations. And

the building, which also will provide valet bike and car parking, will have a Citi Bike docking station just outside.

The project features a 10,000-square-foot recreation space. The building, designed with input from WeWork, will be filled with amenities, including a basketball court, a gym, dining areas, plentiful informal lounges and 18,000 square feet of terraces. "It's all about attracting and retaining employees," Mr. Rudin said.

Tenants Could Reap the Benefits of a Building Boom

By KEIKO MORRIS

A significant amount of new office space under construction in Brooklyn could bode well for tenants shopping for locations during the next few years.

"The feeling on the street is, if not today, then certainly in the next 12 to 24 months, the amount of product on the market is tilting heavily toward tenant favorability," said Gabe Marans, corporate managing director for real-estate services firm Savills Studley. "We are entering a phase where landlords have to com-

pete with each other."

How much companies will benefit depends, however, on where they are looking and how much space they require, developers and local business advocates said.

"A lot of the space coming online is spread over a lot of different neighborhoods, distinct submarkets that don't compete with the others," said Seth Pinsky, executive vice president at RXR Realty.

RXR is renovating a 650,000-square-foot complex at 47 Hall St., located just outside of the Brooklyn Navy Yard and near

the office development under construction by the Rudin family and Boston Properties Inc.

RXR is expecting its project to feed off activity in the Navy Yard, the growing residential developments in surrounding neighborhoods and possibly absorb overflow of office tenants who aren't able to find space in places that are filling up, Mr. Pinsky said.

Also putting some developers of new projects at ease is the last-minute leasing style that tends to dominate a market serving many small-to-midsized tenants, brokers and developers

said. Such firms leave a year or less to search for new offices.

The team behind the 500,000-square-foot Williamsburg development called 25 Kent has been talking to large Fortune 500 tech companies and young firms that have raised several rounds of funding, as well as digital divisions of larger companies, said Jeff Fronek, director of acquisitions at Rubenstein Partners. The project, developed by Rubenstein and Heritage Equity Partners, could have tenants begin building out spaces by the second quarter of next year.

of elections, wrote in a letter responding to commission Vice Chairman Kris Kobach this week.

Democratic lawmakers and a civil liberties group demanded that the state refuse to release any information requested by the commission.

The commission was established by Mr. Trump to investigate allegations of voter fraud in the 2016 elections, but Democrats across the country have blasted the voter commission as a biased panel that merely is looking for ways to suppress votes.

—Associated Press

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LIFE & ARTS

OBITUARY: JERRY LEWIS (1926-2017) | By Michael Driscoll

A Comedy Giant of the 20th Century

JERRY LEWIS, the frantic funnyman whose knack for broad comedy took him from the Borscht Belt of upstate New York to the pinnacle of stardom, died Sunday. He was 91.

"The world has lost one of the great human beings of the 20th century. It is a very sad day," Mark Rozzano, Mr. Lewis's manager, said. Mr. Rozzano said he died Sunday morning at his home in Las Vegas with his family by his side.

Mr. Lewis first gained fame as half of the Martin and Lewis comedy duo, a partnership with singer Dean Martin that was among the most celebrated pairings in show business. Onstage, Mr. Lewis delighted audiences with goofball shenanigans while Mr. Martin, his foil, played the cool troubadour. When Mr. Martin initiated a duet, his partner broke into the wrong tune. Asked to sing it "in unison," Mr. Lewis objected: "No, I want to sing it here in the club!"

Mr. Lewis described the act as "a handsome man and a monkey." It kept audiences in stitches for a decade, until the entertainers dissolved the partnership amid acrimony in 1956.

After their breakup, Mr. Lewis honed his role as the bumbling goof in films such as "The Disorderly Orderly." He also used sound and action to fashion a new form of physical comedy that prefigured the work of those who followed.



Jerry Lewis with a chimpanzee in 1950. He showed no fear in making himself look ugly to get laughs in his career.

Mr. Lewis's manic energy is echoed in the antics of Robin Williams, his physical gyrations in the films of Jim Carrey.

Mr. Lewis landed a blockbuster 1959 movie contract with Paramount Pictures. The deal paid him \$10 million and a cut of the profits to star in 14 films, making him the most highly paid performer in Hollywood.

More box-office hits followed the early solo films, with the comedian taking increasingly large

roles in their production. He wrote and directed "The Bellboy" in 1960, to wide acclaim, and 1963's "The Nutty Professor." Mr. Lewis branched out into producing, as well, and in 1967 began teaching a film course at the University of Southern California, whose students included Steven Spielberg and George Lucas.

But Mr. Lewis's slapstick concealed a drive that emerged in late-career projects and his work

for the Muscular Dystrophy Association. He also developed a reputation for candid interviews in which he detailed his own troubles and insecurities, like a longtime addiction to painkillers and the anguish of losing his youngest son to a drug overdose.

For decades, Mr. Lewis was the public face of the fight to cure muscular dystrophy, hosting an annual televised fundraiser for the MDA that, all told, raised nearly \$2

billion. One standout moment in the telethon happened in 1976, when Frank Sinatra surprised Mr. Lewis by ushering an unexpected guest onto the stage: Dean Martin. Decades had passed since their breakup, and the two shared a warm embrace. After sustained applause and some tentative banter, Mr. Lewis looked at Mr. Martin and picked up where they had left off: "So...you workin'?"

Jerry Lewis was born Joseph Levitch on March 16, 1926, to a piano-playing mother and a vaudevillian father, arriving between his dad's matinee and evening performances. The youngster's show-business moniker would come later, the last name in keeping with his father's stage name, Danny Lewis, and "Jerry" favored over "Joey" to avoid confusion with a contemporary comedian of the same name, as well as boxer Joe Louis.

Mr. Lewis's later years saw him choosing more serious fare. "The Day the Clown Cried" featured comedy amid tragedy in a story set during the Holocaust, though Mr. Lewis wasn't happy with the result, and the 1972 film was never released. He played the title role in Martin Scorsese's dark 1982 satire "The King of Comedy," and a heartsick musician in "Max Rose," which was released in 2016.

► Read more on Jerry Lewis on Page A13 and at WSJ.com/Arts.

BOOKS

When Memoirs Get Very Dark

Several current memoirs by women detail various forms of abuse in their families and marriages—and the authors' positive outcomes

BY ELLEN GAMERMAN

WHEN MAUDE JULIEN was a girl, she writes, her father locked her in a rat-infested cellar and forced her to wear a sweater with bells on it so he would know if she moved. He made her grip an electric fence for 10 minutes at a time in a test of her willpower. He insisted that she watch the slaughter of farm animals, bathe in his dirty bathwater, sleep in a freezing bedroom and hold a clear glass bowl for him to urinate in every morning.

With her parents, eye contact, laughter and touch were forbidden. Love was out of the question.

The story she tells is so harrowing that it's at first disconcerting to hear the cheerful lilt in Ms. Julien's voice when she calls on a recent morning. The French author is discussing her memoir, "The Only Girl in the World," about her devastating childhood and eventual escape from the parents who terrorized her.

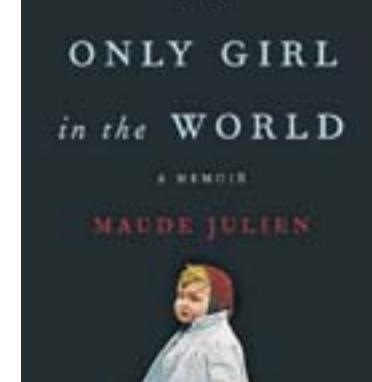
The book, a bestseller in France with more than 50,000 copies sold, has been translated into 10 languages. Ms. Julien said she has turned down bids for the screen rights, though she is open to the idea of a movie adaptation. When the book lands in the U.S. this December, publisher Little, Brown and Co. plans a national print and radio campaign with wide outreach on social media.

"The Only Girl in the World" joins a spate of current memoirs by women detailing abuse in their families and marriages. Many authors say that delving into their past brings comfort as well as nightmares. Some describe looking out at their book readings wondering if they will see a spurned family member glaring from the back row. Other authors fear physical retaliation from the subjects of their books, while their publishers take steps to guard against libel lawsuits. Though the names of the villains in these stories often are changed, it's relatively easy to identify some of them on social media.

Judy Clain, editor in chief of Little, Brown, said the publishing house bought Ms. Julien's memoir not only on the strength of the writing but because the author delivered a life-affirming message rather than allowing the shocking material to spiral into



Maude Julien, now 59, says years of therapy helped her write a memoir about her harrowing upbringing.



sensationalism.

"She seems to have really not only survived but triumphed over this darkness," Ms. Clain said of Ms. Julien, now a 59-year-old psychotherapist living in Paris. "If someone can survive that and then go on and live in the world in such a grounded way, it's a wonderful way to reach people who have maybe difficult lives."

Ms. Julien names her parents in the book. Her father, who died in 1979, was a force in the family a generation before the author's birth. When Ms. Julien's mother was 6 years old, Ms. Julien's father convinced the blonde-haired girl's father, a struggling miner with many children, to give up his child. Ms. Julien's father of-

fered to raise and educate the girl—the author's future mother—on the condition that she cut off all contact with her family. Twenty-two years later, he married his ward with the intention of having a blonde child of his own. After Ms. Julien's birth, he moved the family to a house in northern France with a singular ambition: to turn his daughter into a superhuman being."

Through hidden coping mechanisms that included books and an intense love of animals, Ms. Julien survived years of torment. She finally escaped at age 18 when her father allowed her to leave the house in order to enter an arranged marriage. Her life today includes a 15-year marriage to her third husband, two daughters and three grandchildren.

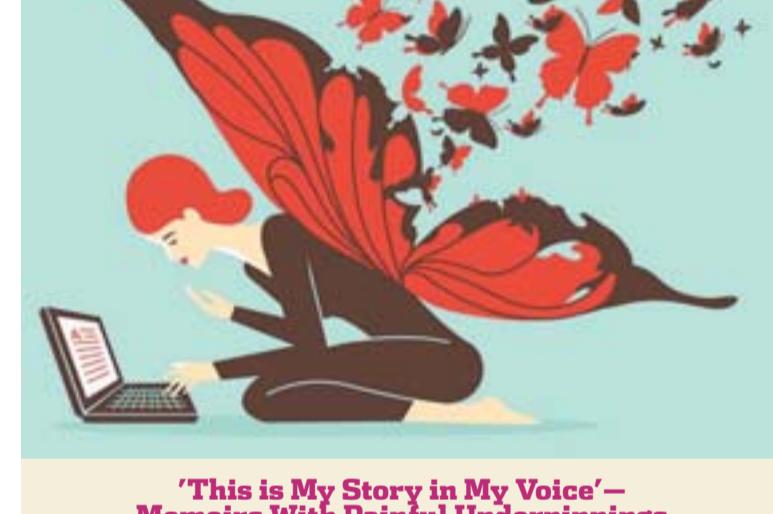
The author wrote the memoir in 2013, saying she felt compelled to do so after realizing that she was asking her patients to address their pasts but had not fully confronted her own. "When someone has endured this kind of emotional, physical and mental control, they have a feeling they are wearing a cloak of shame—that was the case for me," said Ms. Julien, who as a therapist specializes in areas including mind control, emotional manipulation and trauma. "People often ask me if writing the book was therapeutic. But in fact it's thanks to years of therapy that I was able to write the book."

As part of her research, Ms. Julien returned to the house that had served as her prison, visiting with her then-pregnant daughter. The moment she heard the front gate scrape along the gravel and the lock click into place, Ms. Julien said, she fainted.

"It was terrible," she said. "All my body resisted."

After sending a copy of the memoir to her mother, Ms. Julien said she heard through a friend, Ursula Gauthier, the book's co-writer, that her mother called the work a betrayal. Attempts to reach Ms. Julien's mother were unsuccessful. Ms. Julien dedicated the book to her mother, whom she calls "the first victim of the Ogre."

At a book reading in Lille, two people stood up and told Ms. Julien they could connect her to her mother's original family. She said she now has dozens of cousins and sees some of them several times a year.



'This is My Story in My Voice'—Memoirs With Painful Underpinnings

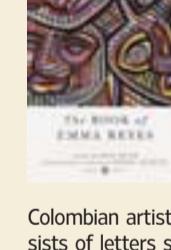


A Beautiful, Terrible Thing

(July 11, 2017)

Jen Waite

Ms. Waite said she wrote the memoir almost in real time, as she was investigating her husband's suspected infidelity. While raising their baby alone, she researched his behavior by reading textbooks and academic articles on personality disorders, as well as talking with a therapist. She comes to believe that the man with whom she had a five-year relationship exhibited some of the nonviolent traits of a psychopath, such as lack of remorse, guilt or shame. Though she calls him by a pseudonym, she said strangers have written her saying they have figured out his identity. Her now ex-husband hasn't contacted her about the book, which she said she wrote because she needed "to figure out some truth in the situation, because it suddenly felt like the past five years were a complete lie."



The Book of Emma Reyes

(Aug. 8, 2017)

Emma Reyes, translated with an introduction by Daniel Alarcón

The book, a translation of the 2012 memoir of Colombian artist Emma Reyes, consists of letters she wrote over 30 years. In his introduction to the memoir, Mr. Alarcón writes that Ms. Reyes was abandoned by her mother, subjected to cruelty in a convent from which she later escaped and, after the book ends, made to witness to her newborn child's murder. Mr.

Alarcón writes that Ms. Reyes, who was encouraged to pursue writing by Gabriel García Márquez, is a storyteller whose prose is humorous, full of wonder and un-self-pitying. He writes that the artist, who died in 2003 at age 84, describes "with a poetic dispassion the sorts of trauma that would break most people."



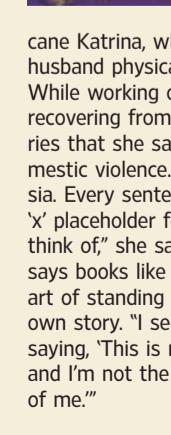
Estranged

(July 11, 2017)

Jessica Berger Gross

Behind the happy façade of a suburban Long Island home was a father who verbally as-

saulted and hit his daughter, Ms. Berger Gross writes in her memoir. In exploring her decision to cut ties with her family, the 45-year-old author describes abuse that came with ambiguity. "I wasn't locked in a closet, I wasn't deprived of food, I didn't go to the hospital with broken bones, so I thought it didn't count," she said. At the same time, she recalled sustaining bruises up and down her body. "Where do you draw the line? How much is OK to hurt a child? You don't hit a child, no matter what."



Some Bright Morning, I'll Fly Away

(Aug. 29, 2017)

Alice Anderson

The published poet starts her story in the wake of Hurricane Katrina, when she says, her husband physically abuses her. While working on the book, she was recovering from traumatic brain injuries that she says resulted from domestic violence. "I had severe aphasia. Every sentence I would put an 'X' placeholder for words I could not think of," she said. Ms. Anderson says books like hers are about the art of standing witness to one's own story. "I see women writers saying, 'This is my story in my voice and I'm not the story you've made of me.'

—Ellen Gamerman

LIFE & ARTS

ART REVIEW

The Muse Turned Master

A new museum celebrates sculptor Camille Claudel, who was long stuck in the shadow of her mentor and lover, Rodin

BY A.J. GOLDMANN

Nogent-sur-Seine, France
SHE HAS BEEN portrayed onscreen by Isabelle Adjani and Juliette Binoche. There have been novels, plays, ballets and even an opera about her. Now, with the opening of the world's first museum dedicated to her work, which was inaugurated here in late May, the sculptor Camille Claudel (1864-1943), best-known as Auguste Rodin's mistress and muse, is finally getting her artistic due.

Nowadays Nogent-sur-Seine, 60 miles southeast of Paris, is known for its nuclear power plant, whose two cooling towers loom surely over the Seine. In the 19th century, however, this quaint town played an outsize artistic role. Flaubert was a frequent guest and set his "Sentimental Education" here. In addition to Claudel, whose family lived here from 1876 to 1881, the town was home to three other master sculptors over the course of the 19th century. At 12 years old, Claudel began sculpting work in local clay. Her early models of Napoleon and Bismarck (both lost) attracted the notice of Alfred Boucher, one of France's leading sculptors, who became her first teacher. The Musée Camille Claudel, with its harmonious brick building designed by Adelfo Scaranello, is built around the Claudel house and incorporates the town's first municipal museum, which was inaugurated by Boucher in 1902.

The 250 works inside are gracefully arranged in a manner that is academic but



Camille Claudel's 'Old Age' (c. 1890), above; her 'Perseus and the Gorgon' (c. 1897), below right, which, at over 6 feet tall, is Claudel's sole monumental grouping; an installation at the recently opened Musée Camille Claudel, below left

never pedantic. Rather than take us through the phases of Claudel's life—her formal studies with Boucher in Paris, her long professional and personal relationship with Auguste Rodin, her years of solitary struggle culminating in mental illness and institutionalization—the museum provides an elegant overview of the major tropes, preoccupations and styles of French sculpture of the late 19th and early 20th centuries. Works by Nogent's other master sculptors feature prominently, along with monumental groups and interior

pieces from dozens of artists ranging across 10 galleries devoted to historical and mythological themes, nudes and movement studies. A highlight here is a preparatory plaster model for Paul Richer's "Tres in Una" (c. 1903), which compares idealized women from classical antiquity, the Renaissance and the modern age, commenting on an aesthetic debate over the depiction of the female form that is strongly felt in Claudel's work. Throughout the museum's two levels, generous windows provide excellent light. The

minimum of wall text is an invitation to circumambulate. In a daring and successful coup, museum curator Cécile Betran has placed Claudel's work at the very end of the collection. The 43 sculptures on display represent half of her existing output, beginning with "Old Hélène" (1882), a portrait bust of the family housekeeper whose Boucher-like naturalism and deep pathos lend its wrinkled subject unexpected nobility. Claudel was 13 when it became her first work exhibited at the French Artists' Salon. Another early bronze, "Young Roman" (1884), shows her 16-year-old brother Paul, the future poet and diplomat, posed as a young Caesar. The classical attitude is magnified by her clean, meticulous technique.

Heightened expressivity and tension emerge after her fateful meeting with Rodin. Much of her work from the late 1880s draws on the elder artist's subjects or features members of his circle. In "Abandonment" (c. 1886-1905), two lovers cling together in a suspended em-



brace. The man, who kneels, strains to reach the woman who bends down to receive his kiss. That work is juxtaposed with Rodin's "Eternal Spring" (1884) and "The Eternal Idol" (1889). The complex arrangements and Symbolist affinity reveal many parallels between the works. Where they differ is in their energies. In Rodin, one finds a sexual abandon that borders on the heroic, while Claudel's figures evoke a rapturous yet tender eroticism. Close by, it seems fitting to encounter Claudel's jarringly severe bust of Rodin (1888-89), which, somewhat surprisingly, was the very first item in the recent Rodin centenary exhibition at the Grand Palais in Paris. In Claudel's portrayal, the

sense of the artist's grandeur is mixed with menace, suggesting both admiration and disdain.

Rodin was the most celebrated sculptor of his time, as well as the most influential figure in Claudel's life. While rescuing her from his long shadow, the museum knows it would be folly to write him completely out of her story. (It does not seem accidental that the museum, nearly 15 years in the making and previously scheduled to open in 2014, has finally opened its doors during the Rodin centenary.) The recently renovated Musée Rodin in Paris features a Claudel room arguing for her place in our understanding of the titan; similarly, the Rodins in Nogent relate to projects for which Claudel either assisted in the studio or consulted Rodin, including "The Burghers of Calais," whose models Claudel also depicted.

Claudel's affair with Rodin was on the rocks for most of the 1890s, with a clean break only coming in

1898. The works exhibited from this period, a time of artistic maturity mixed with increasing seclusion and intimations of mental instability, include the haunting "Old Age" (c. 1890), a frieze-like parable of desertion. It was one of several works with which Claudel tried to shake off Rodin's influence by combining dynamic composition with allegorical meaning. The torqued, twirling figures in "The Waltz" (1889-93), displayed here in no fewer than four versions, almost veer into Symbolist territory, while her "Sketches Taken From Nature" (1890s), miniature vignettes capturing quotidian scenes with fresh immediacy, show her distancing herself from old models.

At the very end of the museum towers "Perseus and the Gorgon" (c. 1897), which, at over 6 feet tall, is Claudel's sole monumental grouping. It was Claudel's only commissioned work and she helped chisel the marble herself. Even though her violent outbursts, resulting in the destruction of much of her work, and her deteriorating mental health were still years away, one senses that Claudel might already have foreseen her fate; in the mythological scene of the hero brandishing Medusa's head, Claudel gave the monster her own face.

Mr. Goldmann writes about European arts and culture.



MUSÉE CAMILLE CLAUDEL (4)

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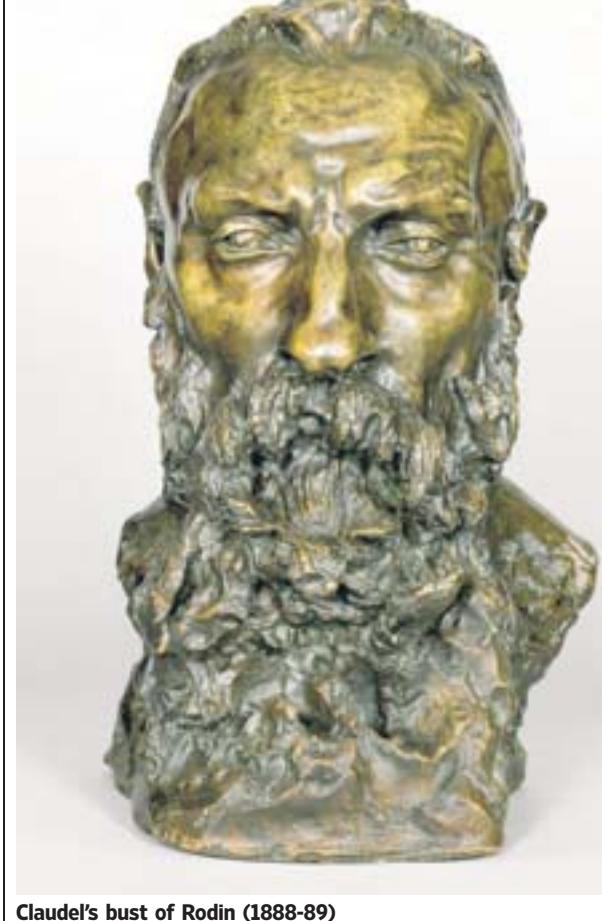
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Claudel's bust of Rodin (1888-89)

LIFE & ARTS



WHAT'S YOUR WORKOUT? | By Jen Murphy

Why Kayak When You Can Bellyak Down the River?

A white-water expert swears by this mashup of kayaking and surfing

CALLAN WELDER FOUND river paddling boring until he tried shuttling through Appalachian white-water prone and headfirst, using his arms to propel him. Mr. Welder, 39, owns an acupuncture practice in Marshall, N.C., near the birthplace of Bellyaking, a sport that combines elements of kayaking and surfing.

The sport was pioneered in the early 2000s by Adam Masters when he duct-taped the seating area of his kayak shut and laid belly down, bodyboarding the kayak down a river. He had so much fun he continued to evolve the design.

Mr. Welder was a good kayaker

and had tried ocean surfing with mild success. He started Bellyaking seven years ago and hasn't stepped in a kayak since. He says he loves being so close and connected to the river. "You feel like a water bug, right on the surface," he says. "People first looked at us like we were UFOs, and hard core kayakers thought we were nuts."

Today he is sponsored by Bellyak, the company that makes the boards. It was founded in nearby Asheville, N.C., in 2012. Mr. Welder paddles with a group of friends on the French Broad River. The idea of floating headfirst down a roaring river sounds scary, but Mr. Welder says Bellyaking has more

room for error than kayaking. The board is about 8 feet long and 2 feet wide and has a rubber surface inside to help the body stick to the bottom.

"It's scary to flip in a kayak," he says. "You lose your paddle, you have to roll or sometimes go to the side and drain the water." It also means worrying about a spray skirt, a watertight cloth that seals the rim of the cockpit of a kayak and fits around the torso of the passenger, plus holding on to the paddle.

His favorite section of the French Broad River is a wide, 5-mile stretch that provides many channels to navigate. "Every time I

Callan Welder paddles a Bellyak, a cross between a surfboard and a kayak, down the French Broad River in North Carolina. Instead of a paddle, he wears webbed gloves to get through the water.



gentle movements, meditation and breathing. He performs 18 movements six times each, which takes about 30 minutes. He is a certified qigong instructor and teaches once a week at his wife's movement studio in Marshall, N.C.

A few days a week he runs the trails around his home and swims laps in a pond on his property.

The Diet

Mr. Welder eats a diet high in healthy fats and vegetables and avoids sugars and processed foods. Breakfast is eggs and greens cooked in butter, or goat's milk yogurt topped with raw honey and homemade, grain-free granola made from baked nuts and seeds. He drinks Bulletproof coffee, which contains grass-fed butter and medium chain triglyceride oil, made from processing coconut oil and palm kernel oil. He occasionally makes a smoothie of coconut milk, fresh blueberries and strawberries, avocado and turmeric powder.

Lunch is a salad of seasonal vegetables, olives, avocado and sardines. For dinner, he eats fish with some type of cruciferous vegetable such as broccoli, cauliflower or Brussels sprouts mixed with kale or Swiss chard.

The Workout

SPORTS

MLB | By Jason Gay

Derek Jeter Is Now the Boss

SHe could have spent the rest of his years playing golf and editing first-person athlete essays while floating atop a plastic flamingo in an infinity pool, but Derek Jeter has decided instead to be a busy baseball retiree.

In just a handful of days, the Yankee legend and Players Tribune publisher became one of the new owners of the Miami Marlins—and late last week, he and his wife, Hannah, announced the arrival of a baby girl, the couple's first.

To think of all the sleepless nights, crying, whining and unexpected ridiculousness about to enter Jeter's life.

And that's just the baseball team! (Rim shot)

Look: I love being a dad, but I don't know if I could be a sports owner. To be fair, I'm about \$2 billion short. But even if I had the scratch, I'm not sure I'd want in.

I get the concept: buying a sports team makes a wealthy nobody a somebody. Instead of being King of the Boardroom Stiffs, you're suddenly a rock star in your own arena, gushed over by velvet-voiced announcers as you eat chicken fingers in your skybox lair.

If you win a ring, or rings, forget about it. Bob Kraft was a mostly-unknown paper baron before he bought the New England Patriots; five Super Bowl titles later, he's basically the mayor of every city and town in Massachusetts, Maine, Vermont, New Hampshire, and most of Connecticut.

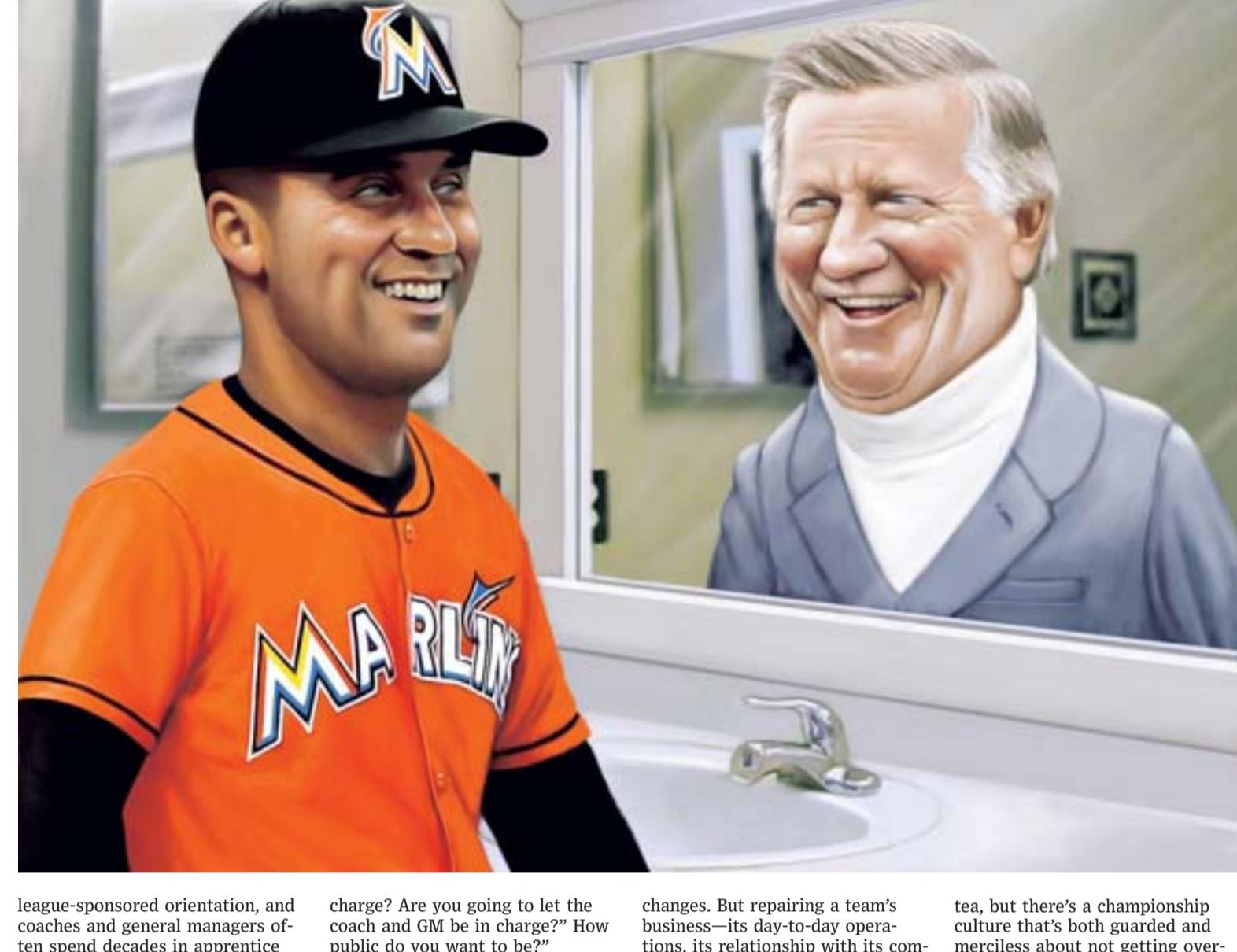
But not everyone gets a ring. Sports ownership is rocky stuff, with unexpected rough edges and constant public relations drama. Just ask James Dolan, a man of diverse holdings and interests, who's a mostly New York City bête noir because of his tormented ownership of the Knicks.

Curious, I went to go see a man I'll call the Owner Whisperer: Jed Hughes, a former NFL and college coach who's built himself a business helping owners hoping to create stable, successful franchises.

"I think some of [the appeal of ownership] is the prestige of it," Hughes says. "You're one of [123] owners across the four major U.S. sports, and you've got special rights. If I'm an owner in baseball, and I call an owner in football, I'm going to get a call back in 24 hours. It's that respect that comes with, 'You're in the club.'"

Hughes, who works for Korn Ferry, the executive search and advisory firm, recently published a white paper called "The Blueprint: How to Succeed as a New Owner."

Hughes's blueprint addresses an odd problem: the lack of guidelines for first-timers buying a franchise. Pro sports do loads of training for new employees—rookies get



SCOTT POLLACK

league-sponsored orientation, and coaches and general managers often spend decades in apprentice roles prepping for the pros.

But owners? Owners are pretty much on their own. And though they may be titans of their prior domains, sports is a wildly different, emotional trade.

Hughes paraphrases the Atlanta Falcons owner Arthur Blank:

"Knowledge and power, there's a difference. Just because you have the power doesn't mean you have the knowledge."

Here are a couple of points for Jeter to consider as he takes over the Marlins, who have won a couple of titles, but have more often been a clown show.

If you're thinking of buying your own sports team, feel free to steal this free advice.

What kind of owner will you be? Jeter may not be the money guy in the Marlins deal—that's billionaire Bruce Sherman—but it appears he'll be the ownership face. He'll have to figure out how big a footprint to have. "What role are you going to play?" Hughes asks.

"Are you going to make day-to-day decisions? Are you going to be in

charge? Are you going to let the coach and GM be in charge?" How public do you want to be?"

Hughes's blueprint classifies Mark Cuban's Mavericks and Jerry Jones's Cowboys as finding success with an owner-dominated approach, whereas others prefer front offices take the visible role. (Theo Epstein is effectively the face of the Ricketts family Chicago Cubs, for example.)

Some owners are barely known, almost Oz-like. Do you know the owner of the San Antonio Spurs, one of the most highly-regarded franchises in sports?

It's Al Pacino.

OK, no: it's Peter Holt.

(It's funny to think of Jeter learning at the knee of George Steinbrenner, the late Yankee owner. Jeter's praised Steinbrenner's approach, but it's hard to imagine the ever-cautious ex-player mirroring vintage Boss, bickering with his own personnel, or posing for the cover of Sports Illustrated atop a horse, dressed as Napoleon.)

Straighten out the business side. It's tempting for an owner to walk in and make high-profile

changes. But repairing a team's business—it's day-to-day operations, its relationship with its community and the league—is a less sexy but better first step, Hughes believes. Make sure the administrative side works well with the sports side. "New owners need to be nimble and experimental," Hughes says in his blueprint.

Maybe you're trying to maximize the fan experience at games. Maybe you're investing in e-sports.

Cuban tells me that the ownership landscape has changed radically from when he purchased the Mavs in 2000. Today, he says, more teams are owned by groups that "have quite a few sophisticated investors from data-driven industries" who have influenced other franchises to be more involved in the day-to-day. It's "a long, long way away from the sit-in-the-box-and-smoke-a-stogie days," Cuban says.

Culture. It's hard to talk about changing a company's culture without sounding like you're doing a bad TED talk. But Hughes says a clear culture is essential to reinvigorating a franchise. The Patriots may not be everyone's cup of

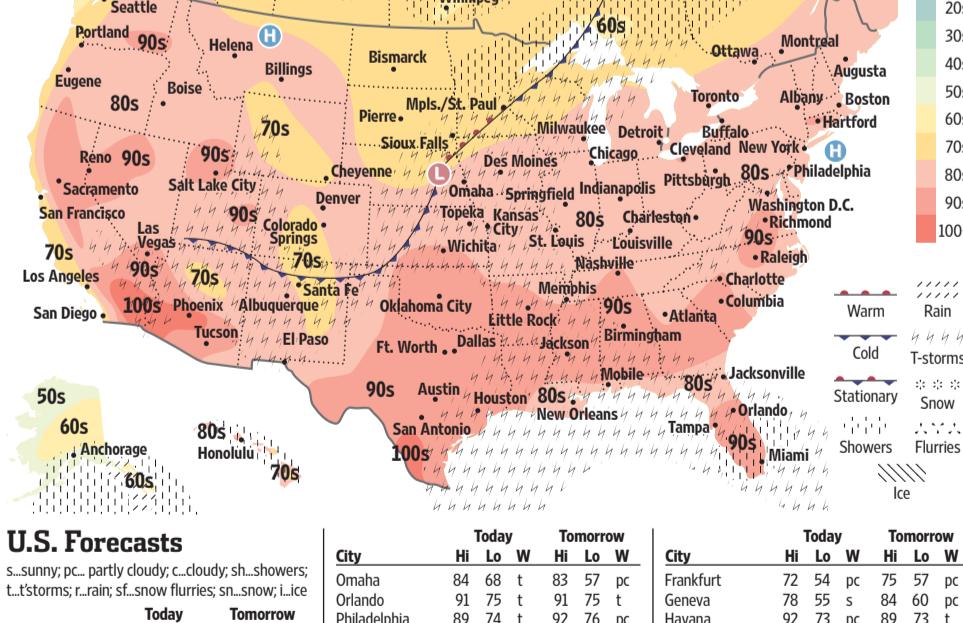
tea, but there's a championship culture that's both guarded and merciless about not getting overattached to talent. On the other end of the spectrum is the Golden State Warriors, champions who take a looser, less hierarchical approach.

Having an attractive culture can boost a team that wouldn't ordinarily be a top destination, Hughes says—the Minnesota Timberwolves, for example, where young talent and second-year coach Tom Thibodeau has given the Wolves a fresh edge. "You want to make it a place where people want to work," Hughes says. Good culture was a reason Kevin Durant felt comfortable with his controversial decision to take a pay cut and become a Warrior. Bad culture is a reason some teams feel eliminated from the playoffs before the season even starts.

So what's your story, Derek Jeter? What kind of owner will you be?

In the meantime, who wants to spot me several billion dollars? I'm good for about \$30, and I have a Manhattan-based basketball outfit I'm interested in.

Weather



U.S. Forecasts

S=sunny; pc=partly cloudy; c=cloudy; sh=showers;

t=tstorms; r=rain; sf=snow flurries; sn=snow; l=ice

Today Hi Lo W Tomorrow Hi Lo W

Anchorage 59 50 sh 63 52 pc

Atlanta 91 74 s 91 75 t

Austin 98 73 pc 99 75 pc

Baltimore 88 72 t 92 73 pc

Boise 89 61 s 96 68 s

Boston 86 71 s 87 73 s

Burlington 88 68 pc 88 65 t

Charlotte 92 73 s 92 73 pc

Chicago 88 71 t 80 59 t

Cleveland 90 73 pc 86 62 t

Dallas 94 79 pc 97 76 s

Denver 86 58 pc 85 59 pc

Detroit 89 70 pc 81 58 t

Houston 94 77 pc 93 76 t

Indianapolis 89 73 pc 82 63 t

Kansas City 85 71 t 83 57 sh

Las Vegas 95 78 pc 100 80 s

Little Rock 91 75 t 93 72 s

Los Angeles 78 64 pc 82 64 pc

Miami 93 81 pc 90 79 t

Milwaukee 83 70 r 79 59 c

Minneapolis 78 61 c 76 55 c

Nashville 90 74 s 93 72 s

New Orleans 88 77 t 89 76 t

New York City 88 74 s 89 75 pc

Oklahoma City 93 73 pc 91 67 t

Today Hi Lo W Tomorrow Hi Lo W

Amsterdam 70 56 pc 73 58 pc

Athens 91 76 pc 87 73 s

Baghdad 117 87 s 116 86 s

Bangkok 90 80 t 92 79 t

Beijing 73 73 pc 76 71 r

Berlin 66 51 pc 65 51 pc

Brussels 66 57 pc 74 60 pc

Buenos Aires 65 49 pc 66 56 pc

Dubai 108 88 pc 107 90 s

Dublin 70 58 r 69 55 c

Edinburgh 64 56 r 67 56 sh

Today Hi Lo W Tomorrow Hi Lo W

Frankfurt 72 54 pc 75 57 pc

Geneva 78 55 s 84 60 pc

Havana 92 73 pc 89 73 t

Hong Kong 97 85 pc 97 81 pc

Istanbul 84 72 sh 79 69 sh

Jakarta 91 78 t 92 76 pc

Jerusalem 85 68 s 84 67 s

Johannesburg 68 45 s 74 38 s

London 73 59 pc 77 61 pc

Madrid 98 72 s 98 70 pc

Manila 88 80 t 88 80 t

Melbourne 51 41 r 60 47 pc

Mexico City 76 56 t 76 56 t

Milan 84 63 s 85 62 s

Moscow 85 67 s 81 64 c

Mumbai 85 80 c 87 80 t

Paris 78 56 pc 83 62 pc

Rio de Janeiro 69 64 pc 70 62 pc

Riyadh 109 82 s 110 83 pc

Rome 87 65 s 85 64 s

San Juan 90 79 pc 90 78 sh

Shanghai 92 81 t 92 83 t

Singapore 86 80 t 87 80 c

Sydney 65 48 c 66 48 s

Taipei 94 83 pc 90 84 r

Tokyo 84 77 c 86 79 c

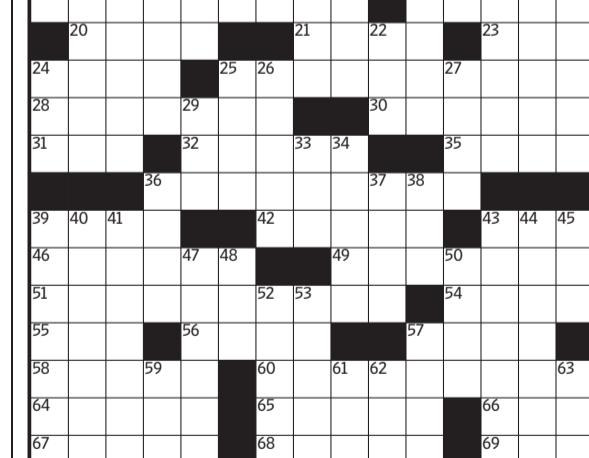
Toronto 86 70 pc 82 58 t

Vancouver 73 57 pc 73 56 s

Warsaw 67 53 t 65 51 t

Zurich 70 51 pc 79 55 pc

The WSJ Daily Crossword | Edited by Mike Shenk



LOOK SHARP! | By Howard Barkin

Across

1 Frisky org.?

4 Roughly, chronologically

9 Guys, slangily

14 Columnist Landers

15 Manipulative people

16 Taste besides sweet, sour, bitter and salty

17 Uncommon boxing tactic

18 Go for game

20 In addition to

</

OPINION

Playing Chicken With China

By Graham T. Allison

President Trump appears desperate, erratic and even irrational as he struggles to stop North Korea from developing nuclear weapons capable of reaching the U.S. mainland. If the president is to be believed, he stands ready to run any risk, pay any price and do whatever necessary to keep the U.S. safe. This includes launching a pre-emptive attack that risks dragging America and China into a second Korean War. To understand the method in what looks like madness, recall the Cold War strategy known as "nuclear chicken."

A game played by thrill-seeking teenagers in the 1950s captures the strategy's essence. A pair of daredevils would each put the left wheel of his car on the centerline of the road. From opposite directions, they then drove toward each other at full speed. The one who swerved first was the chicken; the other got the girl—at least in the movies. If neither swerved, the cars collided and both drivers died.

In the current version of this contest, North Korea's Kim Jong Un has straddled the centerline and is driving straight at Mr. Trump. The president responded by revving up America's military machine. He is now heading toward a collision with his North Korean counterpart. This has led many to call Mr. Trump irresponsible, but a version of his strategy successfully deterred the

Soviet Union during the Cold War.

When Moscow was thought to have 100 divisions of troops poised to invade and capture Europe, the U.S. threatened to respond with tactical nuclear weapons against any invading Soviet tanks. American leaders made the warning knowing that the Soviet Union would likely respond in kind, and that the war could rapidly escalate to strategic nuclear weapons destroying American cities.

Trump's North Korea brinkmanship may seem scary, but it's not that unusual.

In 1962 the U.S. discovered that the Soviets had brought nuclear-tipped missiles to Cuba, sparking the Cuban Missile Crisis. How did President John F. Kennedy convince Soviet leader Nikita Khrushchev to withdraw the missiles? He threatened to order airstrikes to destroy them, even though the president and his advisers knew this threat increased the chance of nuclear war. As Kennedy told his brother Robert at the height of the crisis, he believed the chances of nuclear war were "between 1 in 3 and even."

President Richard Nixon described his version of this brinkmanship as a "madman theory." As his secretary of

state, Henry Kissinger, explained in 1972 to counterparts at the Defense Department, the president's goal was to "push so many chips into the pot" that the other side would think he might be "crazy." Nixon's chief of staff, H.R. Haldeman, recalled in his diary that Nixon said: "I want the North Vietnamese to believe that I've reached the point where I might do anything to stop the war." For Nixon, the key to this "madness" was not unpredictability, but convincing his adversaries that he was predictably willing to take greater risks than they were.

If Kim Jong Un is driving North Korea's hot rod toward Mr. Trump, why have the president and his national-security team chosen to play chicken with China's Xi Jinping? Because they recognize that the Chinese are stuck in the back seat of Mr. Kim's car. If Mr. Xi wants to, he can take the wheel from the reckless young leader.

The Trump team knows that successive American presidents have confronted North Korea—and blinked. From President Clinton's threat to attack North Korea over its development of nuclear weapons in 1994 to President Obama's demands that the country give up its nuclear arsenal, Republican and Democratic administrations have discovered that attempting to appear crazier than a North Korean leader is hard work.

China provides 90% of the oil that North Korea's military

and factories depend on, as well as the fuel that allows members of the regime to visit their vacation homes. In 2003, when China interrupted the flow of oil for less than 72 hours, the late Kim Jong Il immediately snapped to attention.

Between now and November, when Mr. Xi is scheduled to win his second five-year term in office, China's overriding objective is not to rock the boat. A conflict on the Korean Peninsula that leads to hundreds of thousands of refugees flooding into China—or worse, war with the U.S.—would threaten not only China's national security but also Mr. Xi's dominance of the Chinese political system.

To persuade China to squeeze North Korea's oil lifeline, Mr. Trump must convince Beijing that he's willing to order the unthinkable. Will he actually bomb North Korean missile sites and risk restarting the Korean War? No one, perhaps not even the president, can be sure. But unless Mr. Xi concludes the odds of such an outcome are too high for him to ignore, he is unlikely to rein in his North Korean ally.

Mr. Allison, a professor of government at Harvard, is the author of "Destined for War: Can America and China Escape Thucydides's Trap?" (Houghton Mifflin Harcourt, 2017).

Mary Anastasia O'Grady is away.

Bricks, Mortar—and Experiences

By Daniel Freedman

Retailers world-wide are cracking smiles. Amazon's \$13.7 billion acquisition of Whole Foods has flipped the script. Rather than wondering which retailer Amazon will put out of business next, analysts are starting to ask which retailer it will buy next.

Reports of the death of retail were greatly exaggerated. Turns out humans are human. They often want personal experiences when shopping. Now Amazon is betting that retail is still part of the future—but only part. Retailers need to pay attention to the terms and conditions.

Since online shopping arrived in the 1990s, tech futurists have been predicting brick-and-mortar retail's demise. In 2011 venture capitalist Marc Andreessen wrote on these pages that "software is eating the world," rendering many physical retailers unnecessary. He warned a year and a half later that "retail guys are going to go out of business and e-commerce will become the place everyone buys. You are not going to have a choice."

These critiques were reasonable at the time. In 2011 Borders, then the U.S.'s second largest bookstore chain, liquidated after failing to

find any buyers. Amazon was the purported assassin. Household retail names like Blockbuster and Radio City were "victims" of software and the internet.

Then, in 2015, Amazon opened a physical bookstore not far from its Seattle headquarters. The company now has eight, with another five on the way. Apple has built around 500 stores across the world. Some of the most successful e-commerce companies have been beefing up their offline presences: Warby Parker (eyewear), Bonobos (clothes), Casper (mattresses) and Peloton (fitness). Retail's supposed killers are betting quite a bit on brick-and-mortar stores.

These won't be your grandfather's general store, though. Brands like Amazon and Apple see the future of retail as less of a traditional transactional interaction and more of an experience. It's curated, much like museum exhibits. Customers are going there to learn and interact with others.

The future of retail will be filled with more Disney-park experiences. Between an app and a digital wristband, you'll be able to pay, skip lines and make reservations. The unpleasant parts of in-person shopping—for instance, waiting in line to pay—are on their way out.

In 1956, E.B. White suggested that in a more enlightened world, the arrival of migratory birds would be

Technology will adapt what you see to your preferences. People with allergies will use personal screens that will guide them to see only what they can eat.

Online shopping will continue to grow—especially for items people would rather not waste time buying in person, like tissues or car parts. The internet makes it possible to experience events people prefer to see up-close

From the Apple Store to Whole Foods, a new twist on old-fashioned retailing.

but can't attend, such as concerts or sporting events. But physically going to a site remains many Americans' first choice. People cherish being able to touch and choose groceries or seeing their favorite team up close.

Some entrepreneurs, such as Elon Musk, have focused on finding the most efficient ways to take people places: locally with Tesla's electric cars, between cities with Hyperloop, and beyond Earth with SpaceX. Mr. Musk doesn't seem particularly interested in giving consumers experiences they can enjoy while sitting on the couch.

Perhaps the greatest proof of the value of in-person interactions comes from venture capitalists. They're still largely clustered in one location, Silicon Valley. Most prefer to invest in local companies. At worst, they might settle for a city with direct flights to San Francisco. Ask them why and they'll tell you it's because they like to keep up with founders and teams face-to-face. Video technology, virtual reality and augmented reality haven't changed that.

I had an eye-opening experience last year, and it inspired me to bet my new company on the symbiotic relationship of the online and offline worlds. A company planning to build stadiums where people could watch top videogame players sought to recruit me. This took me by surprise. People can already watch and comment on others playing online. Yet this company thinks the future of gaming will involve in-person human experiences. People want to be spectators, not viewers. And in the company's stadium plans, there are lots of space for retail stores.

Mr. Freedman is a co-founder of BurnAlong, an online fitness and wellness video platform.

about the essay, which is getting renewed attention this month, is what Ms. Dillard notices in the surrounding landscape, both before and after her world goes dark.

The eclipse, as it turns out, isn't the only or even the most impressive vision of the day. Beyond a hill, Ms. Dillard spots Yakima Valley, a view available all the time, regardless of celestial movements:

"Through the valley wandered a thin, shining river, and from the river extended fine, frozen irrigation ditches. Distortion blurred and blued the sight, so that the whole valley looked like a thickness or sediment at the bottom of the sky."

As the media coverage of Monday's eclipse makes clear, popular culture conditions us to think of nature as a series of cinematic blockbusters: the Northern Lights, the 100-year comet, the once-in-a-lifetime chance to see the sun vanish in the middle of the day. But seeing nature as a kind of

amusement arcade, worthy of note only when it dazzles, blinds us to the basic wonder of the land, sea and sky on any given day.

In 1956, E.B. White suggested that in a more enlightened world, the arrival of migratory birds would be

covered as closely by the newspaper as the comings and goings of commerce.

No doubt President Theodore Roosevelt, a generation before White, would have agreed. As historian Douglas Brinkley notes in "The Wilderness Warrior," Roosevelt once charged into a cabinet meeting with such urgency that his department secretaries knew something truly momentous had occurred.

Enjoy the eclipse. Then appreciate the surroundings when the moon has moved on.

The president's news: "Just now I saw a chestnut-sided warbler—and this is only February!"

That kind of unguarded exuberance may come easily for a naturalist, but anyone can learn it with practice. It's a matter of reading not only the headlines of creation but also the fine print: a summer tomato, a winter's first snow, a billowing cloud in a Michelangelo sky.

I plan to be in Tennessee

BOOKSHELF | By Evan Hepler-Smith

Gilded Age Shadow Catchers

American Eclipse

By David Baron

(Liveright, 330 pages, \$27.95)

On July 29, 1878, a hundred-mile-wide patch of midday darkness swept across a swath of the western United States. It was a total solar eclipse—a rare transit of the moon directly between earth and sun. Across the still-wild West, thousands of stargazers gathered, chasing a few minutes of astronomical measurements and ecstatic experience. Afterward, famed Scottish astronomer Charles Piazzi Smyth congratulated his colleagues across the Atlantic on a scientific spectacle "which American men, and American instruments, methods, & ideas, have made more peculiarly & grandly American, than any Solar Eclipse you have had in your country yet."

In "American Eclipse," science journalist David Baron tells

the story of the men and women who went west to observe this dramatic event. Just as astronomers pieced together fragmentary observations of the 1878 eclipse to synthesize knowledge of the heavens, Mr. Baron has combed through scientific journals, newspapers, and two dozen archives to unravel the threads of American history that met there. The result is a sweeping, compelling portrait of the scientific and social aspirations of Gilded Age Americans.

Measured in wealth and industry, America of the mid-1870s was fast becoming a global power. The nation's scientific achievements were far less impressive, writes Mr. Baron, and American scientists were eager to change that. Astronomers, whose research supported celestial navigation—a matter of great economic and military importance—were better positioned than most American scientists to advance their own and their nation's prestige. A total solar eclipse offered the opportunity to do so. When the moon obscured the sun's blinding light, a mysterious luminous halo—the corona—would become visible, as would the faint light of bodies adjacent to the sun in the heavens. During the eclipse, careful observers might discern new clues about the nature of the sun and the solar system.

"American Eclipse" follows three of these observers. The first, University of Wisconsin astronomy professor James Craig Watson, was "keenly representative of his era," in Mr. Baron's judgment: corpulent, swaggering, competitive, acquisitive and unscrupulous. Watson had achieved renown as a "planet hunter"—a contender in the heroically painstaking competition in which astronomers combed the night sky for as-yet-unknown celestial bodies to add to their personal and national scorecards. His usual quarry were minor planets (what we call asteroids), but Watson saw the eclipse as an opportunity to bag bigger game: a conjectured major planet called Vulcan, thought to circle the sun somewhere inside the orbit of Mercury.

On July 29, 1878, astronomers, tourists and even Thomas Edison traveled to the still-wild West to get a good glimpse of the total eclipse.

The book's second subject is the most famous of the eclipse observers, then and now: Thomas Alva Edison. Edison was no astronomer; along his journey west, he informed a reporter that he didn't "know anything more about it than a pig does about learning Latin." He was on the trip, first, as a vacation from the frenzy of attention that the indefatigable self-promoter had brought upon himself, and second, to test out a new instrument for measuring minuscule amounts of heat by examining the corona of the eclipsed sun. There was a catch: Edison made a habit of trumpeting his inventions before he had quite invented them. While his livelihood wasn't on the line here as it later would be with the light bulb, his credibility among scientists was.

Mr. Baron's third and most interesting subject is Maria Mitchell, decorated astronomer, Vassar College professor, and staunch advocate of women in science. As Watson, Edison, and other male observers prepared to travel west on the government's dime, Mitchell organized an all-female eclipse expedition, recruiting four Vassar graduates and her younger sister. Previously, Mitchell had been denied a request to have her female students participate in an astronomy expedition; the head of the U.S. Naval Observatory had declared himself unwilling "to expose a woman to the fatigue, hardships and dangers of so long a winter's journey." Mitchell's party traveled to Denver not just to observe the eclipse but to be observed as women in the act of scientific inquiry.

The climax of "American Eclipse" is the eclipse itself. Mr. Baron is an umbraphile—an eclipse enthusiast—and it shows in his vivid account of the three minutes of totality. Interweaving the locomotive velocity of the moon's approaching shadow, the otherworldly twilight beneath it, the precise urgency of astronomer observers, and the gawking wonder of spectators, Mr. Baron captures the celestial drama nicely, and there is human drama here, as well. Along their journey west, drunken cowboys, parsimonious senators, desperate outlaws, and more threatened to derail the astronomers' expeditions. One suspects that the accounts Mr. Baron draws upon may have exaggerated some of these dangers, but exaggerated or not, such tales of adventure were intrinsic to the science of astronomy in the 19th century. Observers of other far-flung eclipses staked their reputations on feats of derring-do—shipwrecks, treks through mosquito-infested marshes, even escape by hot-air balloon. Astronomy was a science of exploration, discovery and conquest on earth as well as in the stars.

The term "eclipse," Mr. Baron observes, is a bit misleading: "What is notable is not what is hidden, but what is revealed." He acknowledges it is difficult to assess the direct contributions of the 1878 eclipse expeditions to the waxing prestige of American science. (The only false notes in "American Eclipse" come when, once or twice, Mr. Baron attempts to do so anyway.) The book's achievement lies in taking the measure of what this conjunction of celestial bodies and historical figures reveals about America, "as a society, a nation, a civilization," circa July 1878.

Today the country will once again fall under the path of a total solar eclipse, for the first time since 1991 and the last until 2024. Along a strip of continent running from Oregon to South Carolina, umbraphiles will gather to face the mysteries of the heavens. One wonders what stories of America their expeditions might reveal.

Mr. Hepler-Smith is Ziff Environmental Fellow at the Harvard University Center for the Environment.

By Danny Heitman

When thousands of Americans gaze up Monday as the moon blocks the sun, they'd do well to follow the example of Annie Dillard, who could be regarded as the nation's poet laureate of solar eclipses.

On Feb. 26, 1979, Ms. Dillard was near Yakima, Wash., as an eclipse darkened a sliver of the planet. She was already famous by that time for "Pilgrim at Tinker Creek," a Pulitzer Prize-winning book about her walks in the woods, fields, creeks and mountains around Roanoke, Va. Now she would use the same lyrical prose to describe the dance between the sun and the moon.

"At once this disk of sky slid over the sun like a lid," Ms. Dillard wrote in "Total Eclipse," an essay published in 1982. "The sky snapped over the sun like a lens cover. The hatch in the brain slammed." Ms. Dillard's account is mythic and memorable. But what's really striking

about the essay, which is getting renewed attention this month, is what Ms. Dillard notices in the surrounding landscape, both before and after her world goes dark.

The eclipse, as it turns out, isn't the only or even the most impressive vision of the day. Beyond a hill, Ms. Dillard spots Yakima Valley, a view available all the time, regardless of celestial movements:

"Through the valley wandered a thin, shining river, and from the river extended fine, frozen irrigation ditches. Distortion blurred and blued the sight, so that the whole valley looked like a thickness or sediment at the bottom of the sky."

As the media coverage of

Monday's eclipse makes clear, popular culture conditions us to think of nature as a series of cinematic blockbusters: the Northern Lights, the 100-year comet, the once-in-a-lifetime chance to see the sun vanish in the middle of the day. But seeing nature as a kind of

amusement arcade, worthy of note only when it dazzles, blinds us to the basic wonder of the land, sea and sky on any given day.

That kind of unguarded exuberance may come easily for a naturalist, but anyone can learn it with practice. It's a matter of reading not only the headlines of creation but also the fine print: a summer tomato, a winter's first snow, a billowing cloud in a Michelangelo sky.

I plan to be in Tennessee

on Monday, joining many others to witness the day darken long before dusk. But the real trick will be to connect with nature after the news crews have moved on. As Ms. Dillard wrote, "beauty and grace are performed whether or not we will or sense them. The least we can do is try to be there."

Mr. Heitman, a columnist for the Advocate newspaper in Louisiana, is the author of "A Summer of Birds: John James Audubon at Oakley House."

OPINION

REVIEW & OUTLOOK

Texas Political Prosecution

Texas has a history of politicized prosecutions that attempt to destroy careers only to be thrown out of court. Think Tom DeLay and Rick Perry. The latest target is Texas Attorney General Ken Paxton, and on inspection the evidence and legal process against him so far look equally dubious.

Mr. Paxton was elected in 2014 on a wave of tea-party support after spending several years in the state legislature. As a lawmaker, Mr. Paxton ruffled the Republican establishment and challenged House Speaker Joe Straus. Mr. Paxton has also roiled Texas politics as AG, challenging the federal government on environmental and labor regulations and the state government on issues involving political speech.

(We recently criticized his grandstanding threat to sue the Trump Administration to deport adult immigrants who were brought to the U.S. as minors.)

In July 2015 Republicans convinced a state grand jury to indict Mr. Paxton on fraud charges, claiming that in private business he had failed to register as an investment adviser in the state when he referred some people to a tech company and was paid a commission. The indictment named GOP state lawmaker Byron Cook, a rival of Mr. Paxton, as a complainant.

But under the Texas State Securities Act Mr. Paxton was not required to register because he never acted as an adviser to Mr. Cook or the others. The relevant law explicitly exempts attorneys from the requirement if "performance of the services is solely incidental to the practice of the person's profession." The investment firm Mr. Paxton worked with was already registered with the SEC, which eliminates the requirement of agents to also register.

The indictment also claimed that Mr. Paxton had an affirmative duty to disclose he was *not* invested, but there is no such duty under state or federal law. When the Securities and Exchange Commission filed similar charges in federal court, federal judge Amos Mazzant dismissed the case.

In his October 2016 ruling, Judge Mazzant noted there was no evidence Mr. Paxton vio-

Another dubious case against a politician who riled the status quo.

lated laws or engaged in illegal conduct. "The SEC is attempting to place square pegs in round holes," he wrote. Judge Mazzant ultimately dismissed the case "with prejudice," barring the SEC from refiling charges.

The state case has nonetheless marched on with political theatrics, including date swapping and venue

shopping by the prosecutors. The investigation into Mr. Paxton's actions was handled by the Texas Rangers, who don't routinely handle securities cases.

In documents presented to the grand jury that indicted Mr. Paxton, the prosecutors and Rangers claimed that Mr. Paxton referred investors to an investment adviser on July 18, 2012, rather than June 26, when the referral letter was actually sent. The change allowed the state to avoid the statute of limitations, which would have prevented an indictment on any actions before July 7, 2012. These documents are under seal but we have seen a copy.

The trial was scheduled to begin in May 2017 in Collin County, where Mr. Paxton lives and where the charges were brought. The prosecutors filed a petition with Judge George Gallagher to change venue because they claimed they could not get a fair trial. Judge Gallagher granted the petition, moving the trial halfway across Texas to more liberal Harris County around Houston.

That's highly unusual. A change of venue is typically sought by defendants who don't believe they can get a fair trial, but not to prosecutors. When the venue was changed, Mr. Paxton petitioned to have Judge Gallagher removed from the case, and a top state appeals court agreed in June. The latest judge is a newly elected Democrat who has never presided over any case, and who has set a trial date for Dec. 11.

Weaponizing the courts for political gain is a refuge of scoundrels and needs to be policed by the courts. Perhaps some new and shocking evidence will emerge to justify the legal assault on Mr. Paxton, but unless it does this looks like a trumped-up case intended to take down a politician who made himself unpopular with the grandees of the GOP establishment.

The Teamsters' Impunity

Federal prosecutors say members of Boston's Teamsters Local 25 demanded jobs at the "Top Chef" cable-TV show, and when they didn't get them, they showed up on set in June 2014 and threatened and roughed up the staffers. But last week a jury found the four Teamsters members not guilty of extortion, thanks to a legal loophole that lets unions get away with behavior that would likely land nonmembers behind bars.

At trial in federal court, several witnesses described the Teamsters' tactics. Host Padma Lakshmi testified that she was "petrified" after one of the Teamsters suggested he'd bash in her "pretty face," while location manager Derek Cunningham told the court he was so scared he slept with a kitchen knife under his bed. Teamsters were caught on camera taunting a crew member with racist slurs, while prosecutors noted that the tires were slashed on nine vehicles rented by "Top Chef." One delivery-truck driver said he received a bomb threat.

Remarkably, while the union members denied guilt, they didn't dispute that they'd behaved aggressively. Defense attorney Oscar Cruz told us that while some of the testimony was exaggerated, his client, Daniel Redmond, had engaged in "typical picket-line conduct,

which is oftentimes not very politically correct."

Instead, the defense relied largely on a 1973 Supreme Court decision that effectively creates an extortion carve-out for organized labor. *U.S. v. Enmons* established that union members could not be investigated or prosecuted under the Hobbs

Act as long as they are carrying out "legitimate union business." Since that ruling, several states have created their own organized-labor exemptions for behavior that might typically qualify as criminal.

The Freedom From Union Violence Act, which would have closed the loophole in federal law, has repeatedly failed to gain momentum in Congress, most recently stalling in 2015. That same year, in response to some egregious union intimidation in Philadelphia, the state of Pennsylvania passed legislation ending an exemption that shielded unions from prosecution for stalking, harassment and violent threats during labor disputes.

Massachusetts lawmakers should consider similar prohibitions. The Boston Herald reports that since the "Top Chef" fiasco, the number of reality-show tapings in the state have dropped precipitously. When unions can resort to mafia tactics with impunity, why risk it?

The Seattle Tax Fight

Washington is one of seven lucky U.S. states that don't have an income tax, and one reason is that its state law

greatly limits the authority to introduce one. "A county, city, or city-county shall not levy a tax on net income," reads the statute.

Then again, when have progressive warriors let a little thing like legality stand in their way? Certainly not in Seattle, where the City Council last month passed 9-0 an ordinance imposing an income tax on high-income residents despite the black-letter law. Individuals in Seattle with incomes above \$250,000 and couples with more than \$500,000 will now pay a 2.25% tax.

To get around the language of state law, Seattle's solons claim that they passed a tax on "total income" as defined by the amount reported on line 15 of the IRS Form 1040A tax form or line 22 of IRS Form 1040. One problem: These lines from the federal tax forms in fact represent *net* income. That's because the amounts listed are after various deductions and exclusions, such as exempt interest or expenses.

In addition, the Washington state constitution says that "all taxes shall be uniform upon the same class of property." In 1933 Washington's state Supreme Court ruled that property included income, meaning a progressive tax is unconstitutional.

In light of the strong statutory and constitutional case against Seattle's new tax, a local think-tank known as the Freedom Foundation has sued the city as an "assault on the rule of

law." Not to mention the clear will of Washingtonians, who rejected a ballot measure for an income tax aimed at the wealthy as recently as 2010. The campaign was led by Bill Gates Sr. and was well funded by labor unions but lost 64%-36%.

Never mind. This latest tax-the-rich initiative comes courtesy of an outfit called Trump Proof Seattle, a coalition of progressives and public unions. Its main idea, endorsed by Mayor Ed Murray, is that a new income tax targeting high earners advances the general progressive goal of "fairness" while the estimated \$140 million in new revenue it would raise would insulate the northwest city from any potential federal budget cuts (not that those are coming).

But this is about more than revenue for the city. The city councilors even welcome the litigation, because the larger goal here is opening a path to a statewide income tax. And the path becomes much easier if the state Supreme Court takes advantage of this litigation to reverse its 1933 ruling.

As the Freedom Foundation notes in its suit, there is no need for the court even to go to the constitution. Statutory law and the city charter make it abundantly clear that the Seattle City Council lacks the legal authority to impose such a tax, especially without a vote of the people. But as with so many progressive policies these days, the City Council and mayor are counting on the courts to override the voters and impose a manifestly illegal tax.

An illegal bid to pave the way for a state income tax.

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LETTERS TO THE EDITOR

Charlottesville Riot: E Pluribus Unum or Not?

Isn't it ironic? Based on my observations and interactions of late, President Trump's divisive rhetoric and offensive beliefs actually seem to have brought us closer together ("Trump Adds Fuel to Race Furor," page one, Aug. 16). I bet more people know who Emma Lazarus was now than ever before, and they can quote her words that are enshrined on the pedestal of the Statue of Liberty.

Of course, the president's most rabid supporters will stick with him until the final days. But more and more people, of all political persuasions, have rejected his message of cruelty and hate, and have reaffirmed the values our country holds dear. In sum, President Trump has, quite unintentionally, succeeded in "making America great again."

JOHN E. STAFFORD
Rye, N.Y.

Do you seriously think that President Trump in any way whatsoever supports white supremacists? Seriously, that is ridiculous. They are a tiny, exceedingly unpopular minority whom virtually none of us supports. However, in the "land of the free," they have the right to express their opinions, no matter how biased. And so we get to the counter protesters. While they too have the right to express their opinions, they didn't have the right to block and fight with the Ku Klux Klan group. That was totally wrong, and President Trump pointed that out very effectively. So, ironically, you have a white supremacist group that no one in their right mind agrees with, doing what they are entitled to do, and an opposition group doing what is absolutely wrong. Yet the media in this country condemns President Trump, and that reflects negatively on the American media, once more.

ALAN CULPIN
Denver

Let me suggest to the people involved in the riot at Charlottesville that they take their concerns to the council meetings, board meetings or ballot box instead of putting themselves and others in danger. And conduct yourself with decorum. No one wins when a meeting becomes a shouting match. When people show up at a protest with flags on poles, helmets, vests, goggles and face masks, any idiot knows what's going to happen eventually. The smart thing to do when you see these things at a protest is to walk away.

TERRY LARSON
Seffner, Fla.

Regarding your editorial "The Poison of Identity Politics" (Aug. 14) and your other commentaries: If you attend a rally that promotes racism as a counter protester and with the in-

tention of breaking heads, you are no less of a moronic thug than those already in attendance. Holding the moral high ground doesn't absolve anyone of respecting the principles our country was founded on. The rights of freedom of assembly and free speech are integral to a democratic society. Violence always begets violence and that is what everyone should find intolerable.

JOHN STEININGER
Grosse Pointe Farms, Mich.

Where were the police? Why did they not intervene and stop the violence? The tenor in the media and in much of the country is that the white supremacists had it coming. Is this the proper way to settle disputes?

I am grateful that our president had the courage to say what he believed and wasn't intimidated by the parrots.

FOSTER H. SHANNON
Los Angeles

It is my opinion that "the poison of identity politics" is a red herring that hides the detachment of a president who chose his words carefully so as not to criticize a supportive group. I believe, as president, Mr. Trump himself contributes incalculably to the rise of "identity obsessives" by his spoken or tweeted words. If we truly want to "confront . . . politics of division," let's start with the words and actions of the president.

PATRICIA O'NEIL
Milton, Mass.

During the Republican primaries Mr. Trump took every opportunity to exploit the bigotry of the bigots by his constant negative comments about people of color, the handicapped, the Mexican murderers and rapists, a Mexican-American judge, women and Muslims.

JOHN J. WOLFF JR.
Rockville, Md.

There was violence on both sides, not just on the protesters' part. It was a "counter protester" who used a homemade flamethrower against a protester. The protesters had a permit to protest, the counter protesters did not. It must also be asked why law enforcement did so little to quell the violence at the start.

President Trump is also spot on when he asks if the recent spate of protests means we should take down statues of George Washington and Thomas Jefferson. What we have here aren't people with a real grievance. Instead, we have a bunch of wannabe thought police trying to consign American history to the "memory hole" of their Ministry of Truth.

OTIS R. NEEDLEMAN
Pacific Grove, Calif.

Eternal Life: The Difficulty of Firing at the VA

Your editorial "Can the VA Fire Any-one?" (Aug. 15) asserts that "the Merit Systems Protection Board [MSPB] . . . has become a union-supported shop dedicated to protect employees from discipline," but this is inconsistent with the facts.

According to the MSPB's statistics published in its periodic newsletter Issues of Merit, available online, for fiscal year 2012 it processed 5,881 cases, of which 73% of the complaining agency's decisions were affirmed. For FY 2015, the most recent period for which statistics are available, although its report is somewhat confusing, the MSPB's affirmation rate appears to be at least 80%.

As the statistics show, such protection doesn't equate to insulation of employees from discipline, where that discipline is appropriate.

LEONARD J. COOPERMAN
Feeding Hills, Mass.

If the VA Accountability and Whis-

Politics Can Make Strange, Irreconcilable Bedfellows

Regarding Jennifer Wright's suggestion at HarpersBazaar.com (Notable & Quotable: Divorce, Aug. 15) that if you are married to a Trump supporter, to actually divorce. I agree with her sentiment, but I would take it a step further. If you think that borders matter, that fighting racism shouldn't involve even more racism, that income inequality often means someone worked harder or smarter than someone else and that larger government means smaller citizens, and your spouse-to-be doesn't agree with these basic tenants of sanity, then don't get married at all.

STEVE FLEMING
Chino Hills, Calif.

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Pepper ... And Salt

THE WALL STREET JOURNAL



"I still maintain an online presence."

OPINION

Mizzou Pays a Price for Appeasing the Left

By Jillian Kay Melchior

Timothy Vaughn dutifully cheered the University of Missouri for a decade, sitting in the stands with his swag, two hot dogs and a Diet Coke. He estimates he attended between 60 and 85 athletic events every year—football and basketball games and even tennis matches and gymnastics meets. But after the infamous protests of fall 2015, Missouri lost this die-hard fan.

Enrollment is down more than 2,000. The campus has had to take seven dormitories out of service.

"I pledge from this day forward NOT TO contribute to the [Tiger Scholarship Fund], buy any tickets to any University of Missouri athletic event, to attend any athletic event (even if free), to give away all my MU clothes (nearly my entire wardrobe) after I have removed any logos associated with the University of Missouri, and any cards/helmets/ice buckets/flags with the University of Missouri logo on it," Mr. Vaughn told administrators in an email four semesters ago.

He was not alone. Thousands of pages of emails I obtained through the Missouri Freedom of Information Act show that many alumni and other supporters were disgusted with

administrators' feeble response to the disruptions. Like Mr. Vaughn, many promised they'd stop attending athletic events. Others vowed they'd never send their children or grandchildren to the university. It now appears many of them have made good on those promises.

The commotion began in October 2015, when student activists claiming that "racism lives here" sent administrators a lengthy list of demands. Among them: The president of the University of Missouri system should resign after delivering a handwritten apology acknowledging his "white male privilege"; the curriculum should include "comprehensive racial awareness and inclusion" training; and 10% of the faculty and staff should be black.

Two weeks later, a student announced he was going on a hunger strike, and the football team refused to practice or play until the university met the demands. As protesters occupied the quad, administrators bent over backward to accommodate them, even providing a power strip so they could charge phones and a generator so they could camp in comfort. A communications instructor, Melissa Click, appeared on viral video calling for "muscle" to remove a student reporter from the quad. By Nov. 9, both the president and the chancellor of Mizzou, as the flagship Columbia campus is known, had resigned.

Donors, parents, alumni, sports fans and prospective students raged against the administration's caving in. "At breakfast this morning, my



ASSOCIATED PRESS

Melissa Click, the Mizzou instructor, at a 2015 campus protest.

wife and I agreed that MU is NOT a school we would even consider for our three children," wrote Victor Wirtz, a 1978 alum, adding that the university "has devolved into the Berkeley of the Midwest."

As classes begin this week, freshmen enrollment is down 35% since the protests, according to the latest numbers the university has publicly released. Mizzou is beginning the year with the smallest incoming class since 1999. Overall enrollment is down by more than 2,000 students, to 33,200. The campus has taken seven dormitories out of service.

The plummeting support has also cost jobs. In May, Mizzou announced it would lay off as many as 100 people and eliminate 300 more positions through retirement and attrition. Last year the university reduced its library staff and

cut 50 cleaning and maintenance jobs.

Mizzou's 2016 football season drew almost 13,000 fewer attendees than in 2015, local media reported. During basketball games, one-third of the seats in the Mizzou Arena sat empty.

The university says its teams' losing streaks have driven away fans, state budget cuts have strained its finances, and competition from other nearby universities has contributed to its lowered enrollment. But the protests were the truly catastrophic factor, compounding the other difficulties. Administrators saw it coming during the crisis, when they fretted in emails about "a PR nightmare" and "the middle of the road people we're losing." The past three semesters have validated their worst fears.

This phenomenon isn't limited to Mizzou. Private institutions like Yale

and Middlebury aren't covered by public-records laws, so they can conceal the backlash. But when public universities have released emails after giving in to campus radicals, they have consistently shown administrators face the same public outrage.

Virginia Tech received numerous phone calls and more than 100 angry emails last year after it disinvited Jason Riley, a columnist for this newspaper, from speaking on campus. "While we can respond to the people who write to us, we cannot dispel the negative impression created by the media against the president, the university, the dean and the college and the department," one administrator woefully told his colleagues.

Virginia Tech administrators also noted that news of the debacle reached millions on Twitter, where the reactions were "overwhelmingly negative toward the university and higher education in general." Once again, a frustrated public vowed to yank support.

Universities have consistently underestimated the power of a furious public. At the same time, they've overestimated the power of student activists, who have only as much influence as administrators give them. Far from avoiding controversy, administrators who respond to campus radicals with cowardice and capitulation should expect to pay a steep price for years.

Ms. Melchior is an editorial writer for the Journal.

Hezbollah Is Running Rings Around U.N. Monitors in Lebanon

By Danny Danon

Over the past year, I have given dozens of United Nations ambassadors tours of Israel's border with Lebanon. During a recent visit with my American counterpart, Nikki Haley, Israel Defense Forces officers identified Hezbollah positions along our northern border. Our guests appropriately asked where the U.N. Interim Force in Lebanon was, and why nothing was being done to stop Hezbollah terrorists from blatantly violating numerous Security Council resolutions.

Unfortunately, these efforts have failed. Over the past year alone, we have shared with the Security Council new information detailing how border towns have become Hezbollah strongholds. One out of three buildings in the village of Shaqra is now being used to store arms or launch attacks on Israel. We also shared with the council intelligence revealing how the Iranians use civilian airlines to smuggle dangerous arms into southern Lebanon. When the Second Lebanon War

ended, Hezbollah had around 7,000 rockets. Today, they have more than 100,000.

Hezbollah is lately stepping up its efforts to destabilize the region. In April its fighters posed for pictures with rocket-propelled-grenade launchers during a media "tour" of

The Security Council should expand the force's mandate—and make sure they do their jobs.

their positions along Israel's border. Unifil forces did nothing to halt this live, televised violation of Security Council resolutions.

In June, Israel reported to the U.N. that Hezbollah has established a series of border outposts under the guise of an agricultural organization called Green Without Borders. Our intelligence services have determined that these positions are used regularly for reconnaissance

operations against Israel. In this instance too, Unifil insisted on turning a blind eye, claiming that it lacked authority to investigate.

To rectify this situation, and avoid a new conflict, the Security Council must make real changes to Unifil's mandate. In addition to generally improving Unifil's performance, the council should insist on three vital steps.

First, Unifil must increase its presence in the territory. This includes meticulously inspecting the towns and villages of southern Lebanon. Hezbollah strongholds, like the one in Shaqra, must be dismantled, and other villages must be kept free of rockets and weapons aimed at Israeli population centers.

Second, Unifil must report all violations of Resolution 1701. The Security Council should not hear about them from us, and definitely not from the media. It is vital that Unifil report on these violations in real time to ensure that the members of the council can take appropriate measures.

Third, the Unifil forces must insist

on unlimited access to all suspicious installations under their mandate. As a report by the U.N. secretary-general recently noted, Unifil is regularly obstructed in southern Lebanon. Excuses regarding the activities of nongovernmental organizations or other Hezbollah front groups should not be tolerated.

Israel has been, and always will be, ready to defend its citizens. At the same time, no one wants Unifil to succeed more than Israel does. With Hamas rearming in Gaza and Islamic State increasing its strength along our frontier with Syria, we seek calm and stability on our northern border. To achieve this, the Security Council must step up its efforts to ensure that Unifil's renewed mandate fulfills the goals outlined above. Failing to do so will call into question the efficacy of this U.N. peacekeeping force and endanger the lives of innocent Israelis and Lebanese.

Mr. Danon is Israel's ambassador to the U.N.

A Health-Care Fix That Works, Now Being Rolled Back

By Jason Furman
And Bob Kocher

President Trump is correct: Health care is "complicated." If you've ever received a hospital bill, you've seen it for yourself. America's health-care system is a tangle of providers, all paid separately for each and every thing they do. One emergency-room visit can result in a dozen different bills.

This fee-for-service model, which has dominated American health care for decades, is hardly efficient. Paying for inputs—tests, procedures, hospital stays and the like—creates incentives for overtreatment, with little regard for coordinating care or improving patient outcomes.

Both political parties have supported shifting Medicare to "advanced payment models," new ways of compensating health providers to reward careful spending and high-quality care. One such model is "bundled payments," under which providers earn a fixed amount for a given course of treatment. For instance, everyone involved in a knee

replacement splits a single fee, with a bonus for better patient outcomes. This is a way to get improved results at a lower cost.

Unfortunately, the Trump administration is halting the shift to advanced payment models. Last week the Department of Health and Human Services announced plans to scale back bundled payments in joint replacements and cardiac care. This is bad news for patients and doctors alike.

Bundled payments provide more certainty about what treatment will cost—a critical element in enabling the competition and consumer choice conservatives have long advocated. Patients get a single statement instead of a pile of bills, allowing them to determine more easily whether the charges accurately reflect the services they received.

At the same time, bundled payments give doctors and hospitals an incentive to select the most efficient treatments while avoiding redundant tests and unnecessary referrals. This approach enables competition around performance on quality

measures associated with each bundle. It encourages better communication and coordination among patients, caregivers and physicians. It puts doctors, not Medicare, in charge of how best to provide care. When outcomes improve, health providers reap the rewards.

Designing bundled payments takes significant effort. Experimentation is required to ensure that treatments and outcomes are properly defined and the payments for them are set correctly. The Affordable Care Act authorized the Department of Health and Human Services to test payment models and then scale up those that either reduced costs without hurting quality or improved quality without raising costs.

In January 2011, Medicare launched bundled payments for dialysis after years of testing and research. As expected, the new system led to better outcomes. Fewer patients missed treatments and ended up in hospitals. Costs grew more slowly. There is similarly compelling data for bundled payments on cancer care, hip and knee replacements, and cardiac surgery.

Now the Trump administration is re-embracing the old fee-for-service model. In six months, the Department of Health and Human Services has gone from driving innovation to dragging health care backward. Another troubling sign: Earlier this

month Patrick Conway, director of the Center for Medicare and Medicaid Innovation, announced he would leave government.

The reversal in Medicare will spill over into the private insurance market. Insurers like United Healthcare, Anthem, Cigna and Humana had followed Washington's lead to test and

When providers split a fixed fee—say, for a knee replacement—patients get only a single bill.

expanded bundled payments. That helped United Healthcare cut costs by a third across a set of cancer bundles it tested over three years.

Startups like Avera and Coda emerged to support participants in bundled-payment systems. Large employers like Wal-Mart and Lowe's began incorporating bundles into their benefit designs. All these efforts were helped by the scale of Medicare's testing.

Bundled payments are an important component of the reforms to shift Medicare to advanced payment models. In 2015, Congress overwhelmingly demonstrated its support for this approach. Ninety-two senators

voted for a bill to give physicians incentives to shift into such models. In 2010 essentially no payments were made through these alternatives; today about 30% are—including not just bundled payments but also pay for performance, shared savings (also known as accountable care organizations) and capped and uncapped risk for total cost of care.

As part of broader reforms, these models helped push down real Medicare costs per enrollee by an average of 0.3% a year between 2010 and 2015, after the figure had risen an average 3.6% a year over the previous decade.

The Trump administration is making health care complicated again. This will result in longer bills and potentially shorter lives. Rather than reversing the progress that has been made with bipartisan support, the administration should aggressively pursue advanced payment models. America's health—both medical and fiscal—depends on it.

Mr. Furman, a professor of practice at the Harvard Kennedy School, was chairman of the White House Council of Economic Advisers, 2013-17. Dr. Kocher, a partner at the venture-capital firm Venrock, was special assistant to President Obama for health care and economic policy, 2009-10.

THE WALL STREET JOURNAL.

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Nathan Fieno reporting for the Los Angeles Times, Aug. 19:

When Richard Saukko galloped his chalk-white Arabian horse named Traveler around the Los Angeles Memorial Coliseum almost 56 years ago, it was supposed to be a one-time stunt.

Instead, the brief performance before USC kicked off its season against Georgia Tech turned into one of college football's iconic traditions. A succession of white horses named

Traveler have followed—Traveler IX debuts this fall. . . . But during a rally earlier this week to show solidarity in the aftermath of the violence in Charlottesville, Va., a USC campus group linked the name to Confederate Gen.

Robert E. Lee, whose favorite horse was Traveller.

At the rally, according to the student newspaper the Daily Trojan, Saphia Jackson, co-director of the USC Black Student Assembly, asked students not to be quiet, and reminded that "white supremacy hits

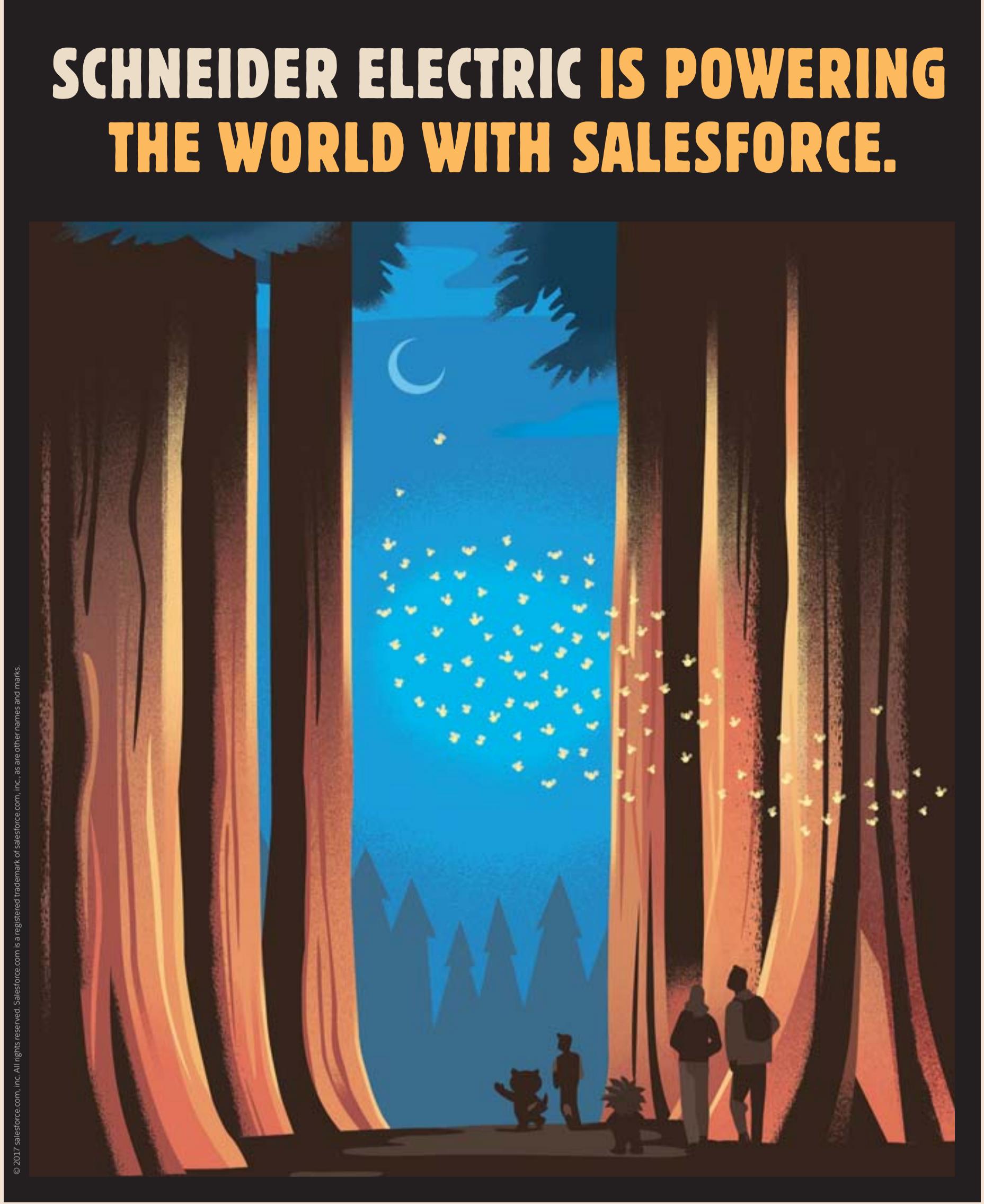
close to home" and referenced the name of the Trojans mascot. . . .

"The problem is this: maybe three weeks ago it was fine," [his widow] Pat Saukko DeBernardi said. "So now the flavor of the day is . . . we all have to be in hysteria. . . . It's more of a political issue. The horse isn't political and neither am I."

She noted that the name of Lee's well-known horse included an extra "I" and, besides, Traveler was already named when her late husband purchased him.

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BUSINESS & FINANCE

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* * *

THE WALL STREET JOURNAL.

Monday, August 21, 2017 | B1

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Warning Signs Mount as Stocks Stumble

Uncritical optimism of postelection rally fades as selloffs disrupt market's calm

BY MICHAEL WURSTHORN
AND CORRIE DRIEBUSCH

Investors are running out of reasons to keep buying U.S. stocks, exposing a growing number of warning signs.

The historic calm that enveloped U.S. stocks for much of this year has been upended

twice in the past two weeks. The Dow Jones Industrial Average posted its biggest decline in three months on Thursday, one week after a selloff of similar scale sent stock indexes tumbling around the world. It is too soon to call the end of the eight-year bull market, investors, traders and analysts say, but many agree the indiscriminate optimism that characterized the post-election rally is evaporating.

With corporate earnings season winding down and the global economy humming

along, sentiment has shifted: There is now more that can go wrong than right, many say.

Political rifts, including President Donald Trump's deteriorating relationship with several business leaders in the wake of the Charlottesville, Va., demonstrations, have magnified investors' doubts about the administration's ability to accomplish its agenda, in particular the tax cuts they had anticipated would boost corporate profits. Those expectations contributed to a stock-market rally

that has sent the S&P 500 up 13% since Election Day.

Shares of small-capitalization stocks in the U.S., among the market's biggest post-election winners, have given up virtually all their 2017 gains. The Russell 2000 is up just 0.05% for the year and is down 6.4% from a high hit in late July. Such shares rose to records late last year as investors bet that Mr. Trump's plans to roll back regulations and taxes and pump money into infrastructure projects would benefit smaller, more

domestically focused firms.

The Dow Jones Transportation Average, a 20-stock index that tracks some of the largest U.S. airlines, railroads and trucking companies, has fallen nearly 6.7% since July 14.

Analysts say if the transports lag, it can presage broader stock declines, as these companies represent the breadth of the goods shipped across the country and are an indicator of production and consumption.

U.S. government bonds have strengthened this year,

reflecting investors' continuing demand for relatively safe assets and their doubts about the prospect of supercharged U.S. economic growth and inflation under Mr. Trump. The yield on the 10-year Treasury note settled at 2.196% Friday, down from a peak above 2.6% in March and compared with 2.446% at the end of last year.

"How the market has behaved since Nov. 9 in many Please see STOCKS page B2

◆ Small-cap stocks in longest slump since 2014..... B8



Pump jacks in Bakersfield, Calif. Some oil companies are turning to traditional wells rather than costly shale drilling projects.

Old-Style Oil Wells Get New Life

BY LYNN COOK

From California's Central Valley to the Native American lands of Oklahoma, more small and midsize oil firms—many backed by private equity—are forgoing expensive shale drilling projects and opting for old-school wells instead.

As crude prices languish under \$50 a barrel, and with increasing costs for land, labor and infrastructure, some shale fracking operations are starting to look expensive. That has some investors turning to conventional drilling to make a profit.

Tapping shale involves fracking, drilling horizontal wells that extend for more than a mile, then using a highly pressurized mixture of water and chemicals to break open underground rock layers.

The process has attracted billions of dollars in capital because it can unleash huge volumes of oil, but at today's prices most producers are losing money on every barrel they pump.

Some oil companies are choosing instead to apply newer technology and methods to vertical wells in century-old American oil fields, betting they can wring out faster and safer returns. The trick, they say, is finding the special locations where stranded oil can be profitably extracted from conventional wells, which are cheaper. They tend to cost less than \$1 million, compared with between \$6 million and \$8 million for an average shale well.

As a result, smaller outfits drilling traditional wells in and around California and Okla-

homa say they can make the investments work even at \$10 to \$30 a barrel.

White Knight Production LLC, a driller based in Lafayette, La., is reactivating 60-year-old wells in Louisiana and Texas that were turned off in the 1980s, when the previous major oil bust dropped prices to \$10 a barrel.

It made sense to turn them back on and invest in newer artificial lift systems and other technology that can push more oil to the surface, said White Knight Chief Executive Jerry F. Wenzel.

In California, the company was able to get some old wells that were producing just five or 10 barrels a day up to 100 barrels a day by using gravel packs to keep silt and sand from building up inside flow

Please see OIL page B2

California Drilling

Rigs working in and around Los Angeles, Bakersfield and Fresno have tripled as more firms try to find new oil in old fields.



*For the week ended Aug. 18

Source: Baker Hughes

THE WALL STREET JOURNAL.

KEYWORDS | By Christopher Mims

Your Face Will Soon Unlock Devices



It was a memorable moment in Pixar's 2004 classic "The Incredibles," one that seemed wildly futuristic at the time: Mr. Incredible picks up a wafer-thin tablet computer, and it scans his face to verify his identity before divulging his secret mission.

Thirteen years later, many slim phones and tablets unlock

with the press of a thumb—and just this sort of mobile facial scanning is on the way.

Forget fiddling with passwords or even fingerprints; forget multiple layers of signing; forget credit cards and, eventually, even physical keys to our homes and cars. A handful of laptops and mobile devices can now read facial features, and the technique is about to get a boost from specialized hardware small enough to fit into our phones.

Using our faces to unlock things could soon become routine, rather than the purview of spies and superheroes.

Qualcomm Inc., an industry leader in mobile-device chips, recently announced its Spectra imaging system, which can extract depth information from objects including faces. The company plans to include the technology in a forthcoming generation of its flagship Snap-

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SEEKS CLOSURE
AND CLARITY



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STOCKS

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ways seemed like a disconnect from reality," said Kristina Hooper, global market strategist at Invesco. "Investors are starting to recognize that."

Nearly 33% of investors surveyed by the American Association of Individual Investors said they expected stock prices to fall over the next six months, the highest level since May. About 34% of investors had a bullish outlook, according to the most recent survey. More than 40% of investors had bullish outlooks for nine consecutive weeks after the election, prior surveys said. AAII polls its roughly 175,000 members weekly, asking them for their take on whether they expect markets to rise or fall.

Investors point to concerns about pockets of the economy, the Federal Reserve's plan to raise interest rates and unwind its balance sheet, and doubts that earnings can continue to grow at a solid pace.

The Fed's annual economic symposium in Jackson Hole, Wyo., this week could provide clues about global central bankers' latest thinking. Chairwoman Janet Yellen is scheduled to speak, as well as European Central Bank President Mario Draghi. Though inflation has remained stubbornly low in places like the U.S. and the eurozone, several major central banks have signaled their intention to gradually tighten monetary policy.

"Two things usually happen before markets get into trouble," said Bruce Bittles, chief investment strategist for Robert W. Baird. "Interest rates go up significantly or consumers spend more."

U.S. household debt reached a record last quarter, driven by

rising mortgage debt, auto-loan originations and larger credit-card balances, which reached their highest level since 2009. Some analysts worry about growing debt because it can suggest people need their credit cards to finance daily expenses, while others say credit-card debt is a normal part of an economic expansion.

New worries have emerged: the looming battle in Washington, D.C., over raising the debt ceiling and increasing divisions in the White House, which has had trouble pushing its agenda through Congress.

Billionaire investor Carl Icahn resigned his position as special adviser to the president on Friday, saying he didn't want "partisan bickering" to cloud the work of the administration.

The recent selloffs also have coincided with some mixed corporate earnings and rising global tensions, including threats between the U.S. and North Korea and terror attacks in Spain.

Declines so far have been short-lived, with many investors viewing them as an opportunity to buy.

But for others, the cascade of negative developments is a sign they can't rely on the enthusiasm that underpinned the market for months.

Concerns over lofty valuations have caused some investors to already trim their exposure to U.S. stocks, instead favoring valuation multiples of companies based in Europe.

"The U.S. has been priced for perfection," said Steven Wagner, chief executive of Aventura, Fla., advisory firm Omnia Family Wealth that has moved more of its clients into European stocks from those in the U.S. over the past year.

"People are starting to get uncertain and rethink" U.S. stock valuations, he added.

Continued from the prior page
lines. The cost of the packs: \$100,000 a well, which White Knight recouped in a few months.

White Knight also has drilled new wells in California for roughly \$800,000 each, finding that many spots were tapped extensively, but only shallowly, last century, leaving 20 to 30 different layers that can produce crude.

"That's the real magic," Mr. Wenzel said.

He estimates reactivating old wells costs \$15 a barrel in direct expenses such as leasing land, lifting oil out of the ground and transporting it to market. After covering other costs including staff, debt, taxes and general overhead, these projects typically are profitable in less than a year.

OIL

Continued from the prior page
River. Mr. Brunner said he understands why many investors are drawn to shale: Unlike conventional drilling, there is little risk of a dry hole.

Even so, he said Petro River's goal is to find untapped oil in old fields and get it out of the ground for roughly \$20 a barrel, allowing the company to achieve as much as a 100% return in a year, at current prices.

Such investment looks attractive to some in light of the costs to lease shale land in places such as the Permian Basin in Texas and New Mexico, which has exceeded \$50,000 an acre.

It is hard to generate huge-scale production picking over old fields, said Robert Clarke, an analyst with Wood Mackenzie. "For a company looking to generate a return on capital, the opportunity is tremendous," he said. "But it can't move the production needle for a bigger company."

Still, some big companies sense opportunity in older fields.

When Occidental Petroleum Corp. moved from California to Houston about three years ago, it spun off all its Golden State oil assets, forming California Resources Corp.

It is now the largest holder of mineral acreage in California with roughly 2.3 million net acres, since the big oil companies that once controlled most of California's oil sector, such as Chevron Corp. and Exxon Mobil Corp., moved on to discoveries in Africa and the Middle East decades ago.

The spinoff was saddled with debt from Occidental operations and didn't initially spend much on new wells. But this year, it is back to work in fields that have been pumped for nearly a century.

"The company is drilling deeper and using directional drilling to reach bypassed pay dirt," said Mark Smith, chief financial officer of California Resources.

Many of its 8,800 existing wells can be retapped. Little new investment is needed, because the state already has an extensive network of pipelines and oil storage tanks.

California Resources estimates it has 700 million barrels of oil equivalent in the ground that is economic at roughly \$30 a barrel.

52%

The share of U.S. oil pumped from conventional wells in 2016.

Most U.S. oil still comes from conventional wells. In 2016, 4.6 million barrels, or 52% of the U.S. total, was pumped from conventional wells while 4.25 million barrels a day, or 48%, was pumped from shale wells, according to the federal Energy Information Administration.

Will McMullen, founder of Bayou City, a private-equity firm with \$1 billion to deploy, and which has backed White Knight, said shale has become a crowded space. "And we don't know where the price of oil is going to be in 10 years," he said, arguing that it is risky to favor shale based on a hope of longer-rate returns.

Petro River Oil, a small New York-based company traded over the counter, is reprocessing old data and making new underground maps in California to find overlooked crude. It recently found several oily zones to tackle. "We're taking new technology and going in and looking for what they missed," said Stephen Brunner, president of Petro

BUSINESS & FINANCE

Samsung Seeks Closure on 2 Crises

BY TIMOTHY W. MARTIN
AND EUN-YOUNG JEONG

SEOUL—For **Samsung Electronics** Co., the launch this week of a new smartphone and a court ruling for its detained de facto leader may often closure and clarity for a company rocked by two scandals over the past year.

Samsung will unveil the Galaxy Note 8 on Wednesday in New York, releasing what it hopes will be a bounceback version of a flagship device that the South Korean firm had to recall last year.

Then, on Friday, a South Korean court will rule on bribery allegations against Samsung heir Lee Jae-yong, who has stood trial since April. The pair of crises, nonetheless, hasn't hurt Samsung's bottom line: It posted a record second-quarter net profit last month of 11.05 trillion won (\$9.9 billion) to outearn **Apple** Inc. for the first time in recent years.

Fueled by rapid growth in internet-connected devices, Samsung's semiconductor unit

has become the world's largest chip maker by revenue, grabbing a top spot that **Intel** Corp. had held for nearly a quarter-century.

The fate of Mr. Lee—a verdict will determine whether he can return to work—is hugely significant for Samsung, which, like other South Korean conglomerates, looks to the controlling family to sign off on major strategic decisions.

A prolonged absence by Mr. Lee, the Harvard-educated grandson of Samsung's founder, would create a leadership vacuum atop the conglomerate that spans smartphones, theme parks and biopharmaceuticals.

A Samsung spokesman declined to comment.

Mr. Lee, 49 years old, has been in jail since February in connection with five charges centering on alleged bribes linked to South Korea's former president, Park Geun-hye. Prosecutors say Mr. Lee sought greater control over Samsung, including pursuing government backing for a merger of two Samsung affiliates that would have given him that power. The case stems from \$37 million Sam-

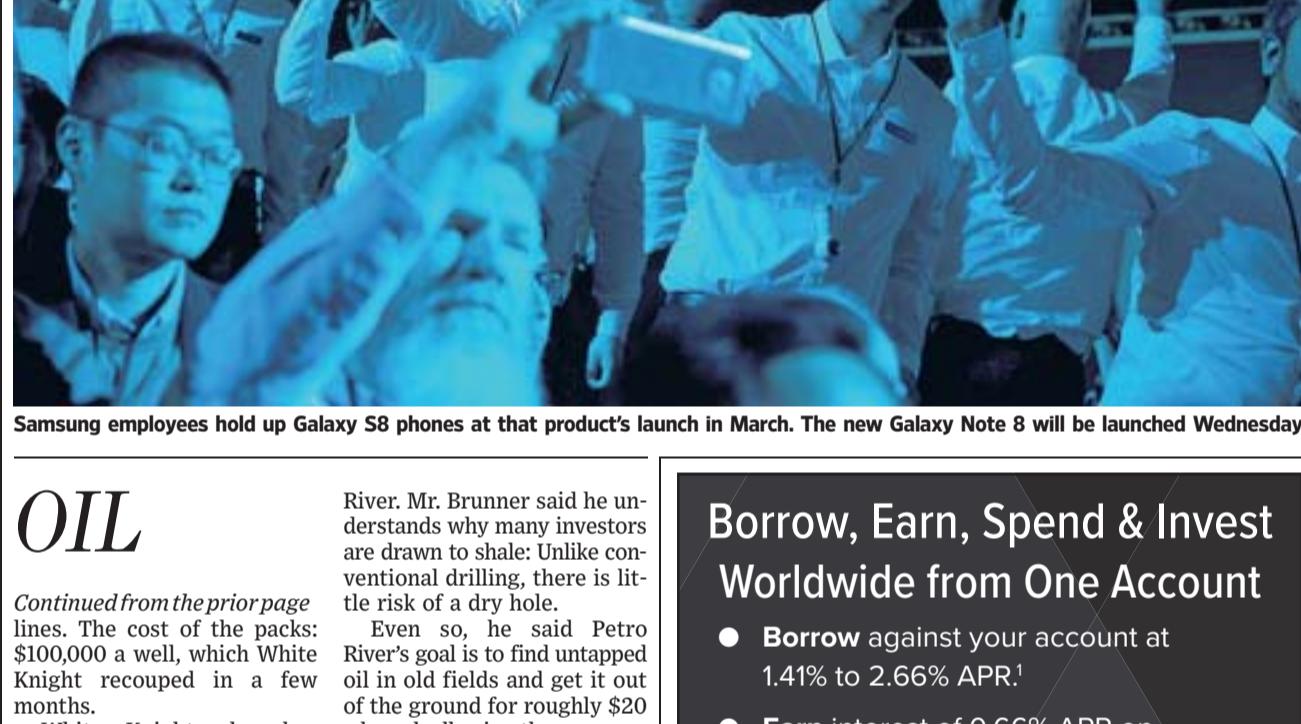


said it would be difficult for Mr. Lee not to shoulder responsibility for them. If convicted, Mr. Lee is likely to face at least a five-year sentence, according to legal experts. Under South Korean law, any sentence longer than three years cannot be suspended. The ruling can be appealed, ultimately to the Supreme Court.

Samsung, the world's largest smartphone maker, saw its brand bruised after last year's Galaxy Note 7 debacle, a recall that cost it more than \$6.5 billion and led to a widespread ban on the devices being carried onto aircraft due to fears it was a fire hazard.

The Galaxy Note 8 offers Samsung its final chance to impress consumers ahead of the release of Apple's 10-year anniversary iPhone later this year.

The Galaxy S8, Samsung's other flagship device that hit shelves in April, had 19.2 million shipments in the second quarter, outperforming its predecessor, the Galaxy S7, by 28% versus the same period a year earlier, according to market researcher Strategy Analytics.



Samsung employees hold up Galaxy S8 phones at that product's launch in March. The new Galaxy Note 8 will be launched Wednesday.

MARK KAUFZARICH/BLOOMBERG

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Stumbling

Small-capitalization stocks and transportation companies have pulled back recently, a reversal that analysts say highlights a decline in postelection optimism.

20%



BUSINESS NEWS

Investors: State Lost Us \$12 Million

Suit accuses Delaware of selling their stock; lawsuit holds wide implications nationally

BY VIPAL MONGA

A lawsuit before Delaware's Chancery Court could have broad implications for state finances around the country and for foreign shareholders who hold more than \$6 trillion of stock in U.S. corporations.

Two French scientists are suing the state of Delaware for seizing and selling their stock without their knowledge, depriving them of millions of dollars in gains.

French scientists Dr. Gilles Gosselin and Dr. Jean Louis Imbach allege that Delaware officials wrongfully seized their shares in **Idenix Pharmaceuticals** Inc. and sold the stock for \$1.7 million to pad the state budget in 2009.

After **Merck & Co.** acquired Idenix in 2014, the scientists learned they no longer had stock in the company and couldn't collect on a \$13.7 million windfall from the deal because Delaware officials had sold their shares five years earlier. Unable to return the stock, officials only reimbursed the money the state received, leaving the two investors out some \$12 million.

In a court filing at the end of July, the plaintiffs called the state's actions "tortious and unconstitutional." In an earlier filing, they alleged Delaware "willfully, recklessly and negligently" failed to act as custodians of their property and violated the U.S. Constitution's takings and due process clauses, among other claims.

Delaware officials declined to comment on the case beyond the court filings. In those, the state argued it followed its law to the letter.



Dr. Gilles Gosselin is one of the scientists alleging that shares in Idenix were wrongfully seized and sold by the state of Delaware.

The suit calls into question Delaware's execution of a law that allows it to take unclaimed assets such as dormant bank accounts, uncashed checks and securities from companies incorporated in the state.

Although the owners can recover the property or its equivalent value at any time, officials can sell the property and use the proceeds for state programs if they can't find the rightful owners. Such seizures represented more than 10% of the state's \$4 billion 2017 fiscal-year budget, ended on June 30.

More than half of all publicly traded companies in the country are incorporated in Delaware, so most U.S. companies are vulnerable to the rule.

Under the law, shareholders must show an active interest in their stock to prove they

haven't abandoned it. They can do this by voting in an annual election, signing into an online brokerage account or cashing a dividend check.

If they don't establish contact for three consecutive years, the law triggers a series of events that can lead to the state taking custody of the unclaimed shares.

Under the law, companies must inform shareholders of the rules, but lawyers and securities advocates fear that foreign shareholders who don't understand them and aren't in touch with U.S. advisers could be surprised to learn they no longer hold the securities they purchased.

Delaware exploited foreign shareholders to bolster an important revenue source, said Ethan Millar, a lawyer for the plaintiffs at Alston & Bird LLP.

Many foreign investors have put their holdings in long-term accounts and don't realize their investments may no longer be there.

"Most investors are buy-and-hold," he said. "This is a rule that really hurts people."

The law is meant to ensure companies don't hold on to unclaimed goods and securities that don't belong to them, said David Gregor, the state official responsible for administering the unclaimed property law.

If the state can't find the rightful owners, it should use the property for the public good, he added.

"The companies shouldn't benefit from poor bookkeeping," he said.

Although every state has a similar unclaimed property law on its books, Delaware has

been the most aggressive enforcer. The state collected \$607.1 million from gross unclaimed property receipts during its fiscal year ended on June 30, making it the state's third-largest revenue source.

Stock taken into custody accounted for \$248 million of the gross total, according to the most recent state estimates, a 21% increase from 2016. The amounts collected from stock sales are naturally volatile, and some of the increase in 2017 was due to a rising stock market that boosted values, said Mr. Gregor.

MORE ON MOBILE



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Blocking of Supremacist Website Questioned

BY YOREE KOH

The debate intensified over whether the growing number of tech companies that blocked white supremacists and a neo-Nazi website on the internet have gone too far, as a prominent privacy group questioned the power a few corporations have to censor.

The chief executive of **Cloudflare** Inc., one of several internet companies last week to cut ties with Daily Stormer, effectively preventing the neo-Nazi website from appearing on the web, acknowledged he set a troubling precedent.

"As [an] internet user, I think it's pretty dangerous if my moral, political or economic whims play some role in deciding who can and cannot be online," Matthew Prince, CEO and co-founder of Cloudflare, said in an interview.

On Thursday, the nonprofit privacy group Electronic Frontier Foundation said tech companies including Cloudflare, **GoDaddy** Inc. and **Google**, part of **Alphabet** Inc., threatened freedom of expression online by blocking Daily Stormer. The three tech com-



A photograph of Heather Heyer and memorials to her on the spot where she was killed.

panies pulled support for Daily Stormer after it published a story denigrating Heather Heyer, the 32 year-old woman killed in Charlottesville, Va. The moves made Daily Stormer's website inaccessible.

Last week, tech companies including Facebook Inc., Twitter Inc. and **GoFundMe** Inc. removed white supremacists from their platforms, over-

said. "We do it because we believe that no one—not the government and not private commercial enterprises—should decide who gets to speak and who doesn't."

Protecting free speech is not something we do because we agree with all of the speech that gets protected," the EFF

throwing the image some of the companies convey of being neutral platforms with free-speech principles.

On Thursday, Spotify said it began removing white-nationalist acts from its music-streaming platform. "Illegal content or material that favors hatred or incites violence against race, religion, sexual-

ity or the like is not tolerated by us," a Spotify spokesman said in an emailed statement.

Dating site OkCupid, part of Match Group Inc., said it banned Chris Cantwell, a white supremacist who participated in the Charlottesville riots, within 10 minutes of being alerted last week that he used the service.

Mr. Prince said that while he and Cloudflare employees had long thought of Daily Stormer's content as "repugnant," Daily Stormer crossed the line when it claimed that Mr. Prince and others at the company secretly supported its views.

The action against Daily Stormer was the first time the company removed a client for reasons other than under court order or for explicit violations of their terms of service.

Cloudflare protects sites from denial-of-service attacks, which make sites slower and more vulnerable to attack. About 2.4 billion people pass through Cloudflare's network every month, according to Mr. Prince.

The EFF said "states and malicious actors" often turn to denial-of-service attacks when they try to silence voices.

EA, NFL Ready Videogame Tourney

BY SARAH E. NEEDLEMAN

Electronic Arts Inc. and the National Football League are teaming up to create an annual videogame tournament aimed at a different kind of esports competitor: the player sitting at home on the couch.

The tournament, called Madden NFL Club Championship, is tied to Tuesday's launch of "Madden NFL 18," the latest installment of an annual football franchise EA says has sold more than 100 million units world-wide since the 1980s.

Unlike many esports tournaments—public spectacles filled with paid professionals who belong to investor-backed teams with corporate sponsors—the Madden tournament is open to players at any skill level aged 16 and older. Residents of North America, the U.K. and Germany are eligible.

In both approaches, game companies are looking to move competitions from the living room to the arena and reap

the money-making hallmarks of traditional sports: sponsorships, ticket sales, merchandising and broadcast rights. Global revenue for esports is projected to more than double to \$1.5 billion by 2020, according to the research firm Newzoo BV.

Esports revenue is tiny compared with the NFL, a \$13 billion business annually. But the industry is attractive because esports fans mostly watch contests online, said Chris Halpin, chief strategy officer at the NFL. As the media market continues to fragment, the NFL needs to be in more places to reach fans, he said.

The bulk of the Madden tournament takes place online during the regular football season, where contestants craft fantasy teams and play from their consoles. Top players will earn the right to compete in matches at NFL stadiums in front of live audiences.

Ultimately, finalists will represent each of the NFL's 32

teams in playoffs that culminate in a championship held around the same time and near the same venue as the Super Bowl, EA and the NFL said. Super Bowl LII is set to be played Feb. 4 in Minneapolis.

"The beauty of this is it is completely inclusionary," said Andrew Wilson, EA's chief executive. By making participation in esports open to anyone, the company is hoping to build player engagement, which "drives the profitability of the business" overall, he said.

EA also sidesteps some costlier parts of setting up a full-fledged pro league. High-profile leagues announced by Activision Blizzard Inc. and Take-Two Interactive Software Inc. require team owners to pay their players salaries and provide health-insurance benefits. Since the Madden tournament is open to anyone, EA expects pro gamers will participate. The company said it could still create a pro league down the road.

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Google Aims to Help News Publishers

BY JACK NICAS

Google is working on new tools to help news organizations sell subscriptions, a move that could help ease its strained relationship with publishers.

The technology giant said it is testing changes to its "first-click-free" policy that allows access via Google search results to articles that require a subscription. Google might reduce the number of free articles users can access from three a day, said a person familiar with the plans. Google believes free sampling of articles helps sell subscriptions, the person said.

The **Alphabet** Inc. unit is testing tools with the New York Times and the Financial Times, such as sharing Google's data on which users are likely to buy subscriptions and using its online-payments system for subscriptions, the person said, adding that talks with publishers are continuing and the changes might not happen. Any new tools are expected to be unveiled in the next few months.

Bloomberg News earlier reported on the new tools under development.

The rise of the internet hit much of the print-news business by causing sales of ads in printed products to plummet. Meanwhile, Google and **Facebook** Inc. together collect nearly half of global spending on digital ads, according to eMarketer.

As a result, publishers have had an uneasy and complicated relationship with Google and Facebook.

Publishers provide much of the quality content that fuels the tech firms' online platforms, while those platforms drive traffic to publishers' websites. News organizations have been forced to rely more on subscriptions.

Last month, the News Media Alliance—a trade group representing about 2,000 organizations, including The Wall Street Journal publisher Dow Jones—asked Congress for a limited waiver from antitrust laws. They say the waiver would allow them to negotiate collectively with Google and Facebook for stronger intellectual-property protections, more support for digital-subscription models and a bigger share of revenue and customer data.

Meanwhile, Google and Facebook appear to be working to satisfy publishers' demands.

Facebook is developing a tool to enable users to subscribe to news organizations via its mobile app. And Google has enabled publishers to put up paywalls for articles delivered through Google's Accelerated Mobile Pages.

Google said in a statement that it has "been engaged in conversations with publishers on how we can build and expand on the efforts that we have had for a number of years to provide even more support for subscriptions."

TECHNOLOGY

WSJ.com/Tech

Game Developers Rethinking Ads

Some coax resistant players by offering rewards in exchange for viewing promos

BY SARAH E. NEEDLEMAN

Four years after it stopped putting ads in its mobile video-games because it suspected they were too disruptive, King Digital is testing them again in a new format, a move Wall Street analysts think could generate \$1 billion in revenue for the company by 2019.

King Digital earlier this year began tests of ads from Nestlé SA, Visa Inc. and others in a handful of mobile games including "Candy Crush Soda." The reversal, which the game developer set in motion soon after Activision Blizzard Inc. acquired it in 2016, reflects new thinking about ads in the mobile-game industry.

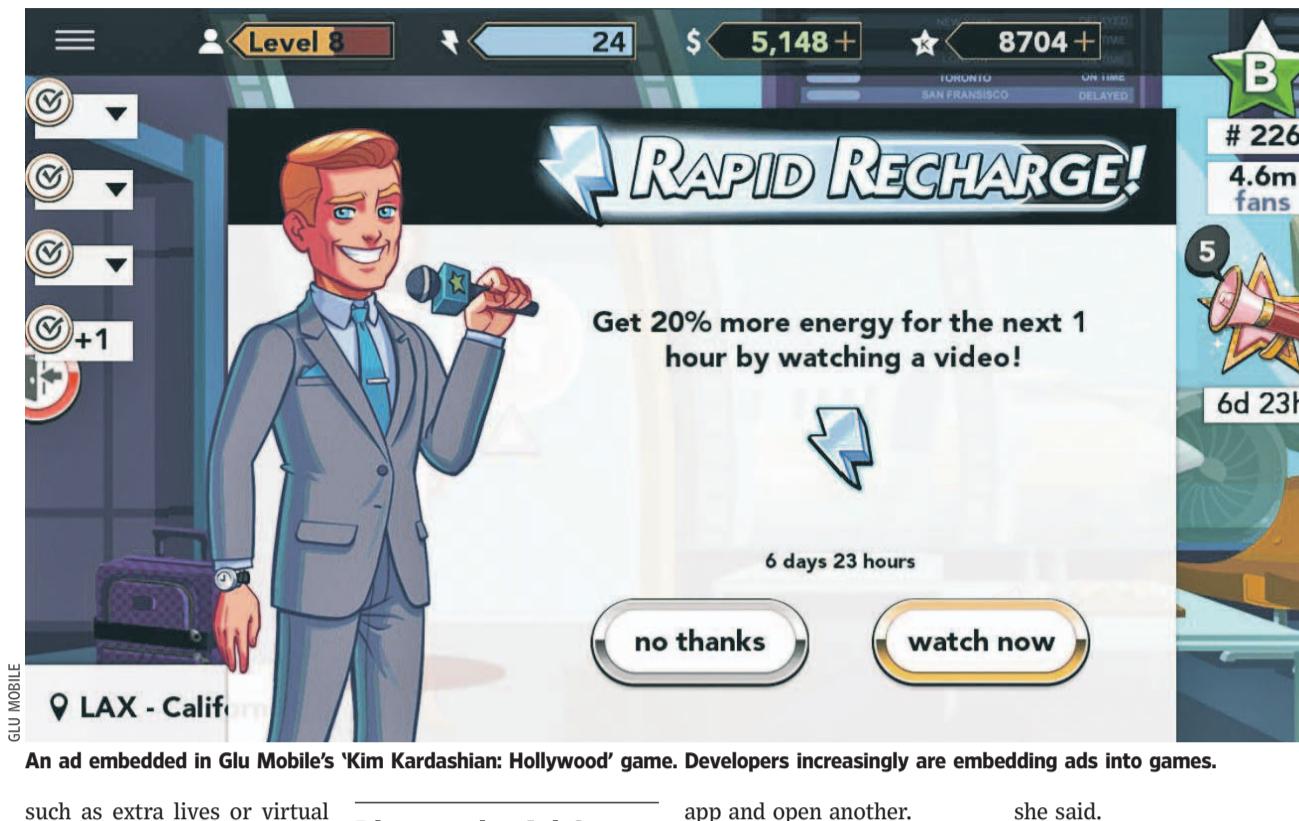
Rather than treat ads as a necessary evil, a mandatory toll booth players have to pass through, developers increasingly are embedding them into games as an optional experience that players can choose in exchange for rewards.

The shift in strategy has lifted the gates on a torrent of mobile-game ad revenue. This year, mobile games are on track to generate \$39.8 billion in ad revenue world-wide, up almost 90% from \$21.1 billion in 2015, according to App Annie Inc., an app data and analytics firm. It projects the number will climb to \$49 billion in 2018.

Game makers hope "rewarded ads" will extend the boom in mobile-game advertising and help them continue diversifying beyond players' in-app purchases.

These purchases generate considerable revenue for game makers but are dependent on a minority of dedicated players who are big spenders on virtual goods.

Rewarded ads are an alternative for them. Players who engage receive in-game perks



An ad embedded in Glu Mobile's 'Kim Kardashian: Hollywood' game. Developers increasingly are embedding ads into games.

such as extra lives or virtual currency. A recent promotion from Electronic Arts Inc.'s "FIFA Mobile," for example, gave players the option to acquire free virtual characters and other items if they share an ad from Coca-Cola Co. through the soccer game's messaging system.

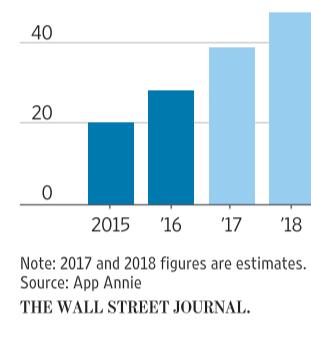
Dozens of brands including Ford Motor Co. and McDonald's Corp. advertise in EA's mobile games, up from just a handful five years ago, said Dave Madden, head of global brand partnerships. The company doesn't report ad revenue but it "is definitely a growth area," he said.

Mobile games are especially attractive to brands "because they're highly engaging," said Tom Goodwin, head of innovation at ad agency Zenith USA, a unit of Publicis Groupe SA. People are spending more time on mobile devices, and brands need ways to reach them, he said.

In the first half of 2017, 78% of the top 50 grossing games on Apple Inc.'s and Alphabet

Playing the Ad Game

Global revenue from ads in mobile videogames



Note: 2017 and 2018 figures are estimates.
Source: App Annie

app and open another.

Parallel Space Inc. chose not to include any ads in "Hades' Star," a game about space exploration released in July—the Canadian startup's first. "Ads are very disruptive," said company founder Andreas Pappathanasis, a former game developer with Supercell Oy, of Helsinki. "If you want a long-term relationship with players, ads don't make any sense."

That is why rewarded ads are changing so many developers' minds. Some 62% of developers said player retention increased or stabilized after they introduced video ads with rewards, according to a 2016 study from **Unity Technologies Inc.**, whose game-creation software includes tools for advertising.

Jamie Lynn, a 21-year-old Florida college student, says she spends about 15 minutes a day playing games like King's "Candy Crush Saga" and Supercell's "Hay Day" and tolerates ads that offer rewards. "They make me feel as though my time is more worthwhile,"

she said.

When Chris Akhavan arrived in 2013 at Glu Mobile Inc., publisher of games such as "Kim Kardashian: Hollywood," the chief revenue officer discovered a lot of resistance to ads at Glu Mobile. That has changed: In the second quarter, Glu had \$12.4 million in quarterly ad revenue, up from \$2.4 million in the same quarter of 2013.

The secret to making ads work, he said, is to be strategic about when they run and who sees them. Glu often serves ads after a level of play has been completed because there is a natural pause then, Mr. Akhavan said, and it serves them more frequently to players who don't make in-app purchases.

Analysts routinely press King on when it will move from testing to rolling out ads to all games for its 314 million monthly active users. They cite Zynga Inc., which last year generated about \$194 million from ads with roughly one-fifth as many users as King has today.

Tricks to Save Time On Your iPhone

BY JOANNA STERN



You're wasting time. I'm not talking about the constant Facebook feed refreshing or the bingeing on "Real Housewives." I'm talking about those tedious iPhone tasks.

Hidden in iOS are tricks that can save you time. A few seconds or even minutes saved might not seem life-changing, but you'll feel differently when you realize just how easy it is to circumvent certain peeves.

For instance, instead of swiping again and again to get back to the top of a long document, webpage or list, just tap the top menu bar to snap up. Boom! That's it. And it'll work in most apps.

Ever been typing a long number into the calculator and mess up on one digit? Instead of starting over completely the way you used to, just swipe to the left on the number and the last typed digit will vanish.

Find that your fingerprint sensor doesn't always recognize your finger, and sometimes you even have to type in your password? Double tap your chances of a quick unlock by registering the same finger twice. (Head to Settings > Touch ID / Passcode > Add a fingerprint.)

There are more where those came from. Watch my video guide on your phone to master seven hidden iPhone tricks.

◆ In her "You Got This" video series, Joanna Stern offers quick mobile tips meant to be watched right on your phone. Go to wsj.com/tech

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CLASS ACTIONS

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A proposed \$21 million settlement has been reached in *In re Automotive Parts Antitrust Litigation*, Master File No.12-md-02311(E.D. Mich.), 12-cv-00501 and DALC Gear & Bearing Supply Corp., et al. v. Koyo France SA, et al., No. 15-12068 (E.D. Mich.) with defendants Schaeffler Group USA Inc. ("Schaeffler USA"), Schaeffler Technologies AG & Co. KG (formerly Schaeffler Technologies GmbH & Co. KG), and FAG Kugelfischer GmbH (collectively, "Schaeffler").

What is the lawsuit about? This class action litigation, and the proposed settlement, relate to both automotive and industrial machinery Bearings purchased directly from a Defendant. Bearings are friction-reducing devices that allow one moving part to glide past another moving part.

Direct Purchaser Plaintiffs allege that defendants entered into a conspiracy to suppress and eliminate competition for Bearings by agreeing to raise, fix, maintain, or stabilize prices, rig bids, and allocate markets and customers for Bearings in violation of federal antitrust laws. Plaintiffs further allege that as a result of the conspiracy, they and other direct purchasers of Bearings were injured by paying more for those products than they should have paid, and seek recovery of treble damages, together with reimbursement of costs and an award of attorneys' fees.

Schaeffler denies the Plaintiffs' allegations, and has agreed to settle this matter in order to avoid the expense and burden of further litigation. The Court has not issued any findings or rulings with respect to the merits of Plaintiffs' claims or Defendants' defenses. This is a settlement with Schaeffler only. The litigation is continuing against the remaining Defendants.

Who is included? The Schaeffler Settlement Class is composed of purchasers of Bearings in the United States directly from any Defendant during the period from January 1, 2000 through March 21, 2017 (the "Settlement Class Period"). For purposes of the proposed settlement, the following entities are defendants: Schaeffler Group USA Inc.; Schaeffler Technologies GmbH & Co. KG (now Schaeffler Technologies AG & Co. KG); FAG Kugelfischer GmbH; JTEKT Corporation; Koyo Corporation of U.S.A.; Koyo France SA.; Koyo Deutschland GmbH; Nachi-Fujikoshi Corp.; Nachi America Inc.; Nachi Technology, Inc.; Nachi Europa GmbH; NSK Ltd.; NSK Americas, Inc.; NSK Europe Ltd.; NSK Corporation; AB SKF; SKF GmbH; SKF USA Inc.; NTN Corporation; NTN USA Corporation; NTN Walzlager GmbH; and NTN-SNR Roulement SA.

A Notice of Proposed Settlement ("Notice") was mailed to potential Schaeffler Settlement Class Members on or about August 10, 2017. The Notice describes the litigation and options available to Schaeffler Settlement Class members with respect to the Schaeffler settlement in more detail. If you have not received the Notice you may obtain a copy on the internet at www.AutoPartsAntitrustLitigation.com, or by calling or writing to the following Co-Lead Counsel for the Direct Purchaser Settlement Class ("Co-Lead Settlement Class Counsel"):

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Portland, ME 04112-9546
Telephone: (207) 791-3000

Dated: August 21, 2017
BY ORDER OF:

The United States District Court for the Eastern District of Michigan, Southern Division



Qualcomm is among those working on facial-recognition technology and also 'structured light,' below.

MIMS

Continued from page B1
dragon mobile processors. Meanwhile, when firmware for Apple Inc.'s forthcoming HomePod speaker leaked online, developers spotted clues suggesting that a coming iPhone might have similar depth perception and facial recognition.

This technology is different from, but related to, the facial recognition built into security cameras around the world, which cross-references pictures of your face against databases of millions. That technology is growing in capability and in use—especially in China, where its applications range from surveillance to payments.

Fortunately, your phone's camera has a few advantages over surveillance equipment. It doesn't need to spot you in a crowd. It just needs to distinguish one face—yours—and it can do that very well, since you're not some shadowy figure captured in bad light.

From a foot or two away, your phone can quickly capture a detailed image.

There is another advantage. Depth-sensing technology, generally called "structured light," sprays thousands of tiny infrared dots across a person's face or any other target.

By reading distortions in this field of dots, the camera gathers superaccurate depth information. Since the phone's camera can see infrared but humans can't, such a system could allow the phone to un-

lock in complete darkness.

While Apple hasn't announced any use of this technology—let alone confirmed whether it will exist inside the widely expected 10th-anniversary iPhone—the company is no stranger to infrared depth-mapping and facial recognition. It has previously been granted patents describing nearly identical processes. Apple declined to comment on any technology it might be working on.

If this technology sounds familiar, it is a sort of shrunken-down version of the Xbox 360's Kinect motion sensor. Perhaps not coincidentally, Apple acquired an early Kinect developer, the Israeli startup PrimeSense, in 2013.

Meanwhile, Qualcomm says it plans to make its Spectra processor available for future Android phones. Previous Samsung image processors that did face recognition could be fooled by holding up a photo of someone's face to a phone's camera. Qualcomm insists that depth perception gives the added bonus of "liveness detection." As a result, a 3-D printed mask wouldn't be able to fool the system, though the company admits identical

twins might.

Teaching our phones what our faces look like will be just like teaching them our fingerprints, says Sy Choudhury, a senior director at Qualcomm responsible for security and machine-intelligence products.

As with fingerprint recognition, the facial images are securely stored only on the device itself, not in the cloud.

Already, laptops use Microsoft's Windows Hello face recognition for easier unlocking; some devices are equipped with Intel's RealSense 3-D depth camera, which preceded Qualcomm's Spectra.

As technology like this gets into the mobile supply chain, it eventually trickles down to less-expensive, lower-end devices along with dedicated, highly efficient chipsets, says Joey Pritikin, founder and co-chief executive of the biometrics company Tascient.

Perhaps the most remarkable thing about all this facial recognition is how mundane it has the potential to become, and fast. As a security measure that requires us only to look at our device, it is easily taken for granted.

That is a good thing. Facial recognition has the potential to make higher levels of security—so-called multifactor authentication—so convenient that we no longer engage in all the bad habits that put our finances and online lives at risk. That isn't to say these systems won't be compromised somehow, but at least for the short term, smiling at your phone every morning will be far safer than punching in the same password over and over.

BUSINESS NEWS

'Bodyguard' Tops Rival Action Film 'Logan Lucky'

By ASSOCIATED PRESS

LOS ANGELES—Critics loved "Logan Lucky" and gave it a big collective shrug to "The Hitman's Bodyguard," but when it came to the test of the marketplace, audiences went their own way.

The two action flicks faced off this weekend, and "The Hitman's Bodyguard" emerged the victor with a chart-topping \$21.6 million, according to studio estimates Sunday, while "Logan Lucky" sputtered on arrival with \$8.1 million.

Both had notable stars. "Logan Lucky" has Channing Tatum and Daniel Craig, while "The Hitman's Bodyguard" boasts Ryan Reynolds and Samuel L. Jackson. Both movies were opening in more than 3,000 theaters and both cost around \$30 million to produce. Also, both were targeted toward adults, although one was R-rated ("Hitman's Bodyguard") and one PG-13 ("Logan Lucky").

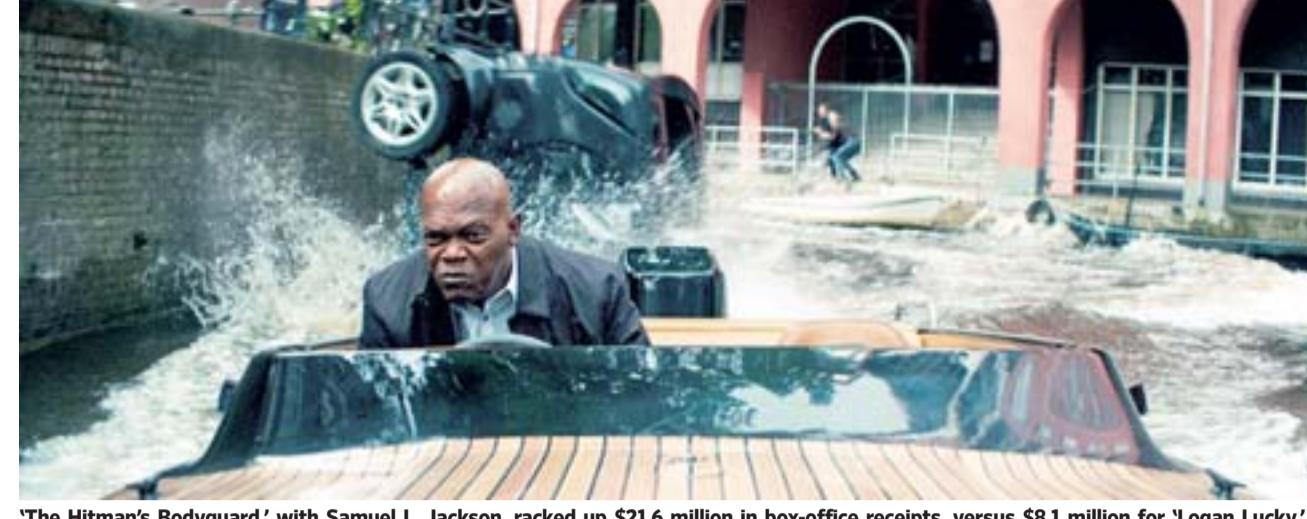
But when it came to reviews, critics vastly preferred "Logan Lucky," which boasts a

"fresh" 93% Rotten Tomatoes score, while "The Hitman's Bodyguard" rests at a "rotten" 39%. And yet, when presented with the choice, audiences on the whole put their dollars toward "The Hitman's Bodyguard." Even the CinemaScore was flipped, with "The Hitman's Bodyguard" earning a B+ and "Logan Lucky" a B—neither of which, it should be noted, is particularly promising for future word-of-mouth.

"It was a battle of the action ensemble cast movies. Audiences looked at these two action movies in the marketplace and made a decision," said Paul Dergarabedian, a senior media analyst for comScore. "I think for audiences they're just looking for the fun of it...[("The Hitman's Bodyguard")] was critic-proof. It provided a perfect escape."

Lions Gate, which distributed "The Hitman's Bodyguard," expects the film to play well into September.

While it isn't an all-out flop, the stakes were a little higher for "Logan Lucky." The Nascar heist pic was not only



'The Hitman's Bodyguard,' with Samuel L. Jackson, racked up \$21.6 million in box-office receipts, versus \$8.1 million for 'Logan Lucky.'

Estimated Box-Office Figures, Through Sunday

FILM	DISTRIBUTOR	SALES, IN MILLIONS		
		WEEKEND*	CUMULATIVE	% CHANGE
1. <i>The Hitman's Bodyguard</i>	Lions Gate	\$21.6	\$21.6	--
2. <i>Annabelle: Creation</i>	Warner Bros.	\$15.5	\$64	-56
3. <i>Logan Lucky</i>	Bleecker Street	\$8.1	\$8.1	--
4. <i>Dunkirk</i>	Warner Bros.	\$6.7	\$165.5	-38
5. <i>Nut Job 2: Nutty by Nature</i>	Open Road	\$5.1	\$17.7	-39

*Friday, Saturday and Sunday Source: comScore

director Steven Soderbergh's big return to movies after a four-year retirement, but meant to also upend the traditional distribution model with crafty filmmaker-driven know-

how, independent financing, foreign and streaming service sales and a more concentrated and cheaper marketing push.

An \$8.1 million debut from over 3,000 screens, however,

isn't enough to make a game-changing splash. In fact, it is Mr. Soderbergh's lowest wide-opening since his "Solaris" remake, which opened to \$6.8 million in 2002. "Solaris" did have a higher production budget than "Logan Lucky," though.

Before the film's release, Mr. Soderbergh told the Associated Press that he was prepared for any scenario. "At least we got to do it the way we wanted to do it," he said.

Mr. Dergarabedian posited that the limited exposure for Mr. Soderbergh and the producers means that "Logan Lucky" could still be a winning endeavor, despite coming in behind the horror holdover "Annabelle: Creation," which earned \$15.5 million in its second weekend.

In fourth place was Christopher Nolan's "Dunkirk," one of the summer's bigger successes, with \$6.7 million, which bumped its domestic total to \$165.5 million. And there were a few milestones too: The buddy comedy "Girls Trip" sailed past the \$100 million mark domestically, and "Wonder Woman" crossed \$800 million world-wide.

But overall the box office is still losing. As of this weekend, comScore estimates that the summer season is down 13% from last year, and the year as a whole is down 5%.

"The deficit keeps going up. We're limping toward the finish line with one leg dragging behind," Mr. Dergarabedian said. "It's not a great place to be."

Hackers Target Private Data, Network Access of Young Job Seekers

By KELSEY GEE

service.

The person also sent him a file to download.

Mr. Latif contacted the Washington, D.C.-based Wall Street regulator, which quickly confirmed the person didn't work for the agency and that Finra had no external Skype accounts.

Hackers attempt to hook tens of thousands of people like Mr. Latif through job scams each year, according to U.S. Federal Trade Commission data, aiming to trick them into handing over personal or sensitive information or to

gain access to their corporate networks.

Employment fraud is nothing new, but as more companies shift to entirely digital job-application processes, Better Business Bureau Director of Communications Katherine Hutt said scams targeting job seekers pose a growing threat. Job candidates are routinely invited to fill out applications, complete skill evaluations and interview—all on their smartphones, as employers seek to cast a wider net for applicants and improve the match-making process for entry-level

hires.

Young people are a frequent target. Of the nearly 3,800 complaints the nonprofit has received from U.S. consumers on its scam report tracker in the past two years, people under 34 years old were the most susceptible to such scams, which frequently offer jobs requiring little to no prior experience, Ms. Hutt said.

Sydney Wang in California bought nearly \$30,000 worth of office supplies for a fake job she was tricked into applying for this past January. After the 27-year-old made the pur-

chases for a made-up employer using the name S.M.L. Digital Agency, the fake hiring managers she had been in touch with about the assignment for weeks disappeared, she said.

"I was desperate for a job. I thought I did my due diligence but we were tricked," said Ms. Wang, who had been sending out resumes and interviewing for a full-time role for seven months before she was duped. She now works as a receptionist.

Investigating the source of job scams can be a yearslong effort, involving coordination from law-enforcement agencies, technology companies and financial institutions.

Cybersecurity research firm Dell SecureWorks in 2015 uncovered a network of dozens of fake LinkedIn profiles, which it suspects were being used by hackers in Iran to build relationships with potential victims around the world.

The hackers posed as employment recruiters to deliver fake job applications containing malware, said Dell SecureWorks senior security researcher Allison Wikoff.



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CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-ends generally do not buy their shares back from investors. Who would care about their holdings? Investors can earn a return on a stock without holding it. **a-The NAV** is fully diluted; **c-NAV** is as of Thursday's close; **d-NAV** is as of Wednesday's close; **e-NAV** assumes rights offering is fully subscribed; **f-Rights** offering in process; **g-Rights** offering announced; **h-Lipper data has been adjusted for rights offering; i-Rights offering has expired, but Lipper data not yet adjusted; j-NAV as of previous day; o-Tender offer in process; v-NAV is converted at the commercial rate; w-Convertible Note-NAV (not available for all funds); y-NAV and market price are in Canadian dollars; z-NAV that the information is not available or not applicable; NS signifies fund not in existence during entire period. **12-month yield** is computed by dividing income dividends paid (during the previous twelve months) for periods ending at month-end or during the previous fifty-two weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions.**

Source: Lipper

Friday, August 18, 2017

52 wk

Fund (SYM)	NAV	Prem	Ttl	Close/Disc	Ret
Specialized Equity Funds					
Adams Natural Rsrcs Fd PEO	20.71	17.84	-13.9	-6.1	
AllInzG1 Engy Interest NFJ	14.34	12.99	-9.4	10.2	
AlpnG1b1PrPrc AWP	7.14	6.38	-10.6	23.8	
Gabelli Utility Tr GUT	5.50	6.97	+26.7	17.4	
AMCO/Gbl NatRsrcs Incm GGN	5.40	5.50	+1.9	-4.6	
BirkRk Enh Cap Inco CII	15.90	14.87	-6.5	14.5	
Goldman Sachs MLP Incm Opp GMC	8.80	NA	-1.1		
BirkRk Engy Res Tr BGR	13.62	12.39	-9.0	-7.7	
BlackRock Enh Eq Div Tr BDJ	9.40	8.72	-7.2	15.8	
BlackRock Enh G1 Div Tr BDE	14.17	12.92	-8.8	14.2	
BirkRk Int'l Grwth & Co. BGY	6.78	6.26	-7.7	13.9	
Neuberger Berman MLP Incm NML	9.73	9.04	-7.1	6.1	
BirkRk Health Sci BME	34.32	35.49	+3.4	9.8	
Neubrg Brm RI Est Sec Fd NRO	5.79	5.38	-7.1	2.3	
BlackRock Rscs Comm Tr BCK	9.37	8.25	-12.0	10.4	
BlackRock Science & Tech BST	25.09	23.18	-7.6	35.0	
Cohen & Steers Engy MLP Incm CEM	14.64	NA	-3.3		
ClearBridge Engy MLP Opp EMO	11.54	NA	-5.8		
Clearbridge Engy MLP TR CTR	12.07	NA	-0.7		
Cohen & Steers Engy MLP Incm CEM	14.64	NA	-3.2		
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MARKETS DIGEST

Dow Jones Industrial Average

21674.51 ▼183.81, or 0.84% last week
High, low, open and close for each of the past 52 weeks

Trailing P/E ratio 19.89 20.09
P/E estimate * 18.30 18.02
Dividend yield 2.28 2.55
All-time high 22118.42, 08/07/17

MONEY & INVESTING

Reversal Hits Small Caps

Russell 2000 index falls for fourth week in a row, longest slide since October 2014

BY BEN EISEN

In one of the most pronounced post-election bets, investors pushed up shares of companies with small market values far beyond their large-cap counterparts.

Not anymore.

The small-cap Russell 2000 index fell for a fourth consecutive week, its longest losing streak since October 2014. That brings the index's post-election gains to 13.6%, narrowing its gap with the S&P 500, which has risen 13.4% index's Election Day. The Russell's performance also turned negative for the year Friday morning. It is up 0.05% in 2017, versus 8.3% for the S&P 500.

It is one more of the Trump trades that have fallen by the

wayside in 2017 as the president's pro-business policy agenda stalls and turmoil engulfs the White House.

After the election, the Russell 2000 marched higher for 15 days in a row, its longest win streak since 1996, as investors bet that smaller companies would benefit more than large companies from President Donald Trump's business-friendly slate of policy priorities.

Cuts to the corporate tax rate, for example, were expected to benefit smaller, domestically focused companies, which typically have a higher effective tax rate. Small-cap companies pay an effective rate of 32% versus 26% for large-cap companies, according to research earlier this year from Nuveen Asset Management.

Nine months later, the administration's planned tax-code changes are still in the early stages, and plans for other business-friendly poli-

cies such as infrastructure spending and widespread deregulation are still being ironed out.

Last week, two councils of chief executives disbanded following Mr. Trump's comments after demonstrations in Charlottesville, Va., that left a woman dead. The reaction could continue to eat into expectations, some analysts said.

"The fallout is likely to reverse the improvement in economic expectations recorded across all political affiliations in early August," said Richard Curtin, chief economist for the University of Michigan's consumer sentiment survey. The August figures he referenced, released early Friday, showed sentiment rose in the first half of August among consumers, who were mostly polled before the attacks. In recent months, investors have instead been piling into big multinational firms that benefit from a strengthening global economy and weaker dollar.

Volatility Plays Draw Wagers

BY CHRIS DIETERICH

Bets on stock-market volatility are gobbling up a record share of U.S. stock trading.

A frenzy of trading in the five largest exchange-traded products that profit either when volatility spikes or declines accounted for 7.2% of total composite stock-market volume Thursday, an unprecedented feat for these products, according to WSJ Market Data Group.

Friday's trading of these products represented 5.5% of total trading, third-highest ever.

The flurry of activity in CBOE Volatility Index products ramped up as the Dow Jones Industrial Average was headed toward its biggest decline in three months Thursday, a swing that sent the VIX up 32%.

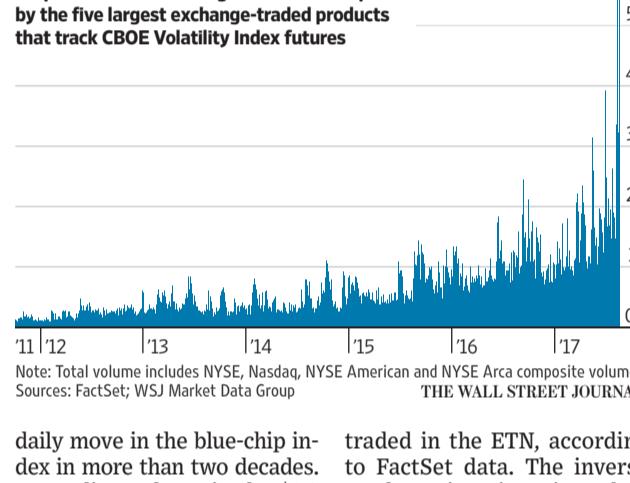
The VIX, an options-based measure of expected U.S. stock-market price swings, declined 8.3% Friday. It is dubbed the "fear gauge" for its tendency to rise when stocks fall.

A surge in bets on volatility shows traders' affinity for financial products that exhibit big price swings at a time of extreme calm in the broader U.S. stock market. The Dow's decline Thursday snapped the longest streak without a 1%

Spiking

Investors stepped up bets on volatility at the end of last week.

Proportion of U.S. trading volume made up by the five largest exchange-traded products that track CBOE Volatility Index futures



Note: Total volume includes NYSE, Nasdaq, NYSE American and NYSE Arca composite volumes.

Sources: FactSet; WSJ Market Data Group

THE WALL STREET JOURNAL.

daily move in the blue-chip index in more than two decades.

Trading volume in the \$1.2 billion iPath S&P 500 VIX Short-Term Futures ETN, which rises in price when the VIX goes up, hit 274 million shares Thursday, a record. The product turned over 10 times more than shares of Apple Inc. It trades about double the volume in Apple on the average day.

The VelocityShares Daily Inverse VIX Short-Term ETN had its biggest share turnover of the year, accounting for 41.7 million shares traded. It was also the second time in a week that more than \$3 billion

traded in the ETN, according to FactSet data. The inverse product rises in price when the VIX falls.

Selling volatility, a trade expressed by owning inverse VIX ETFs, has been among the hottest trades this year with the VIX stubbornly below its long-term average. Analysts have warned for months that the easy money has been made and shorting volatility now is an especially risky gamble.

"Selling VIX has become crowded and is fraught with danger," wrote Peter Tchir, head of macro strategy at Brean Capital.



Nabisco created SnackWell's in 1992 at a time of high demand for low-fat products.

B&G Foods Goes Back to Nature

BY ANNIE GASPARRO

B&G Foods Inc. has struck a deal to buy SnackWell's cookies and Back to Nature granola bars for \$162.5 million, adding to its stable of older brands that have faltered as eating habits change.

Chief Executive Bob Cantwell said acquiring SnackWell's low-fat products and Back to Nature's bars from a joint venture between Oreo maker Mondelez International Inc. and private-equity firm Brynwood Partners will give B&G more leverage with natural-foods retailers.

"We'll have a bigger place at the table to talk to Whole Foods and Sprouts," he said. "Hopefully we'll add more brands like this under that platform."

B&G has developed a taste for longstanding brands like

Cream of Wheat and Green Giant frozen vegetables that Mr. Cantwell said had been neglected by the big food companies that have long owned them. Lagging sales have pushed Nestlé SA, General Mills Inc. and other conglomerates to shed laggard brands in recent years and focus on their most popular products.

Nabisco created SnackWell's in 1992 at a time of high demand for low-fat products. At its peak the brand's Devil's Food Cookie Cakes and other treats generated more than \$500 million in annual sales, but their popularity has waned as consumers shifted to low-carbohydrate and low-sugar diets.

About five years ago, Mondelez sold controlling interests in SnackWell's and Back to Nature to Brynwood Partners and tasked the private-equity firm

with reviving SnackWell's and expanding the Back to Nature brand. Sales of SnackWell's products have continued to struggle, but Brynwood had more success boosting Back to Nature by introducing new products and getting them into more stores. Today SnackWell's and Back to Nature generate about \$80 million in annual sales.

Brynwood Chief Executive Henk Hartong said smaller brands that are part of a bigger conglomerate can benefit from the attention a smaller company can bring. B&G's sales were about \$1.4 billion last year, compared with Mondelez's \$26 billion.

"What it's starving for and what it needs to be successful, it can't get from a giant company that is trying to manage so many brands," he said of a smaller brand.

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Legal Notices

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CLASS ACTIONS

Notice of Class Action Settlements

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 Settlements and is subject to the terms of the Settlement Agreements² and other relevant documents (available as set forth below).

The purpose of this Notice is to inform you of your rights in connection with two separate proposed settlements with Settling Defendants Deutsche Bank AG and DB Group Services (UK) Ltd. (collectively, "Deutsche Bank") and with Settling Defendants JPMorgan Chase & Co., JPMorgan Chase Bank, National Association, and J.P. Morgan Securities plc (collectively, "JPMorgan") 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 separate settlements with Deutsche Bank and JPMorgan (collectively, the "Settlements") are not settlements with any other Defendant and thus are not dispositive of any Plaintiff's claims against the remaining Defendants.

The Settlements have 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 Settlements will provide \$148 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 Settlements, or object to them.

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 Settlements.

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 Agreements, 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 Deutsche Bank AG and JPMorgan Chase Bank, N.A., 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 Racketeer Influenced and Corrupt Organizations Act, and common law.

Deutsche Bank and JPMorgan have consistently and vigorously denied Plaintiffs' allegations. Deutsche Bank and JPMorgan each entered into a Settlement Agreement with Plaintiffs, despite 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 Do the Settlements Provide?

Under the Settlements, Deutsche Bank agreed to pay \$77 million and JPMorgan agreed to pay \$71 million into separate Settlement Funds. If the Court approves the Settlements, 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 Funds after they are reduced by the payment of certain expenses. The Settlement Agreements, available at the Settlement Website, describe all of the details about the proposed Settlements. The exact amount each qualifying Settling Class Member will receive from the Settlement Funds cannot be calculated until (1) the Court approves the Settlements; (2) certain amounts identified in the full Settlement Agreements are deducted from the Settlement Funds; 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 Funds 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 Settlements by submitting a Proof of Claim and Release to the Settlement Administrator at the address provided on the Settlement Website postmarked no later than January 23, 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 Agreements if the Court enters an order approving the Settlement Agreements.

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, you do not have to submit a new Proof of Claim and Release to participate in these Settlements with Deutsche Bank and JPMorgan. Any member of the Settlement Class who previously submitted a Proof of Claim and Release in connection with the 2016 Notice will be subject to and bound by the releases set forth in the Settlement Agreements with Deutsche Bank and JPMorgan, 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 Settlements 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 October 5, 2017. 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 Agreements 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 Funds or otherwise participate in the Settlements.

The Court will hold a Fairness Hearing in these cases on November 9, 2017, to consider whether to approve the Settlements 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 one-fourth of the Settlement Funds for investigating the facts, litigating the case, and negotiating the settlement, and for reimbursement of their costs and expenses in the amount of no more than approximately \$300,000. 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 Funds 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 Agreements" means the Stipulation and Agreement of Settlement with Deutsche Bank entered into on July 21, 2017 and the Stipulation and Agreement of Settlement with JPMorgan entered into on July 21, 2017.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

[WSJ.com/Heard](#)

Email: heard@wsj.com

Jack Ma Scores With MassMutual

Insurance is supposed to be big business, especially in Asia, and everyone wants a piece of it—including **Alibaba's** Jack Ma.

Yunfeng Financial Group, which Mr. Ma co-founded, is joining the likes of **Sina** and an investment vehicle backed by Singapore's sovereign-wealth fund in a \$1.7 billion bid for the Hong Kong and Macau businesses of

MassMutual, one of the oldest life insurers in the U.S.

At first sight, Alibaba is following a fellow China tech giant, **Tencent** earlier this year joined with Chinese fund **Hillhouse Capital** in a Hong Kong joint venture with the U.K.'s **Aviva Life Insurance**.

But while MassMutual is big at home, it is small potatoes in Hong Kong and Macau, with about 2% of Hong Kong's \$45 billion insurance market. Still, for Mr. Ma et al, the deal is about getting into the insurance business without the hassle of capital regulatory commitments and a yearslong wait for a license.

At this point, the deal is just option value. At 1.9 times book, the bid matches the average price for Hong Kong-traded Chinese insurers, so it seems like a fair price for Mr. Ma.

In fact, it is an even better deal for Mr. Ma: Yunfeng plans to pay for its 60% stake by issuing new shares and an interest-free, single-installment U.S.-dollar note backed by a letter of credit, for around \$1 billion.

Investors seemed convinced, sending Yunfeng shares soaring 20% in early Hong Kong trading Friday. They ended 5.4% higher.

Jack Ma strikes again.

—Anjani Trivedi

Biogen Has Tricky Balancing Act

Michel Vounatsos, Biogen's new chief executive, is in a tough position.

A letter sent to the company by two House Democrats on Thursday as part of an investigation into high prices of multiple sclerosis drugs provides an illustration. Among other things, the congressmen are requesting information on rebates, discounts, coupons and patient assistance charity programs that the company uses to help sell its products.

Data published by the National Multiple Sclerosis Society show that Biogen and rival companies such as **Teva Pharmaceutical Industries** and **Novartis Pharmaceuticals** haven't been shy about raising the list prices of these medicines. Avonex, a Biogen drug approved in 1996, now costs \$86,308 a year before rebates and discounts provided to middlemen and payers. That is up by nearly 900% from the original list price. Tysabri,

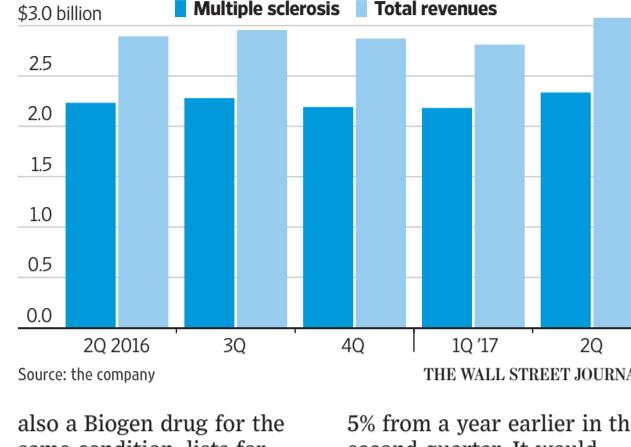
which accounted for 76% of total sales in the most recent quarter, seems essential in order to boost Biogen's share price, which is flat so far this year and down about 40% from its 2015 high. That is particularly important given the fact that its drug pipeline, while exciting, is no sure thing. The drugs in development are focused on high-risk, high-reward categories like Alzheimer's disease. It will be some time before investors have a firm grasp on their value.

But eventually price increases for existing medicines become unsustainable as they would risk a political firestorm. While such out-

cries in recent years have resulted in plenty of talk and little action, pushing too hard might put not just Biogen's but the industry's economics somewhat at risk.

Figuring out how to please Wall Street and Washington simultaneously won't be simple.

—Charley Grant



also a Biogen drug for the same condition, lists for \$82,366 annually, more than triple the original price in 2004.

Yet a look at Biogen's financial results shows that rebates and discounts are more than just a minor detail and likely a growing one. The company reported multiple sclerosis sales growth of just

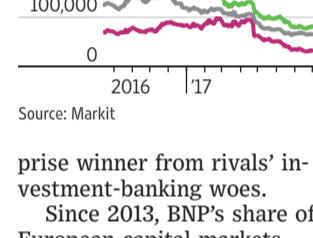
5% from a year earlier in the second quarter. It would seem that only a fraction of the list price increases show up on Biogen's top line and that is likely the case for its competitors as well.

This highlights the dilemma for Mr. Vounatsos, who took over the top job in January. Growth in the multiple sclerosis business,

The Case for Owning Shares of France's Largest Lender

Risk Reducer

Annual cost to protect €10 million of bank debt against default in derivatives markets



prise winner from rivals' investment-banking woes.

Since 2013, BNP's share of European capital markets revenue has risen to 11% from 9%, mainly during this year, according to analysts at **Goldman Sachs**. That is

mostly at the expense of **Deutsche Bank** and **Credit Suisse**.

BNP has done especially well in equities trading, particularly servicing hedge funds. These may often be fickle clients, but there is a big reason BNP can continue to win share: It is more attractive and cheaper to deal with as a counterparty. The cost of protecting BNP's debt against default is roughly half that of rivals Credit Suisse and Deutsche Bank. That translates into real savings for institutional clients.

The third quarter of this year is likely to give investors more evidence of investment-banking progress. Going by the first half, BNP is on course to add more to its

investment banking and markets revenue for all of 2017 than any European rival.

Furthermore, it is increasing revenue in this division while cutting costs. Expenses were down 6% in the second quarter versus the like period last year and the bank said it has found more opportunities for savings.

At the same time, things should improve for France and BNP's big domestic retail bank. In September, Mr. Macron is expected to push through liberalization of labor laws to encourage new hiring, which should cut France's stubbornly high unemployment rate and help the economy—and credit growth.

BNP trades at less than

90% of its forecast book value for 2017 and 2018.

That puts it slightly ahead of Credit Suisse, which trades for about 80%, and way ahead of **Barclays** and Deutsche Bank. But based on consensus earnings forecasts, it is those rivals that are overvalued.

BNP's stock price implies a higher cost of equity than these rivals and other large European banks. But the French lender has demonstrated consistently that it hits its targets and produces more reliable returns.

Over the next few months, investors should see that BNP ought to have a lower cost of equity—and that will mean a higher valuation than today.

—Paul J. Davies

MARKETS

THE TICKER | Market events coming this week

Monday

Earnings Expected*

Estimate/Year Ago(\$)

Nordson **1.67**/1.47

Zayo Group **0.16**/(0.13)

Gasoline

Distillates

unch.

up 0.7

EIA report: natural gas

Previous change in stocks in billions of cubic feet

up 53

Tuesday

Earnings Expected*

Estimate/Year Ago(\$)

Coty **0.09**/0.13

Intuit **0.17**/0.08

Medtronic **1.08**/1.03

Salesforce.com **0.32**/0.24

Toll Brothers **0.69**/0.61

New-home sales

June, previous 610,000

July, expected 618,000

Existing-home sales

June, previous 5.52 mil.

July, expected 5.56 mil.

Earnings Expected*

Estimate/Year Ago(\$)

Autodesk **(0.15)**/0.05

Broadcom **4.03**/2.89

Dollar Tree **0.87**/0.72

Hormel Foods **0.37**/0.36

J. M. Smucker **1.63**/1.86

Ulta Beauty **1.78**/1.43

Wednesday

Short-selling reports

Mort. bankers indexes

Purch., previous down 2%

Refin., prev. up 2%

EIA status report

Previous change in stocks in millions of barrels

Crude oil down 8.9

Initial jobless claims

Previous

232,000

Expected

236,000

Thursday

Durable-goods orders

NYSE 5.0

Nasdaq 4.4

5.0

up 6.4%

July, expected down 6.1%

Friday

Initial jobless claims

Previous

232,000

Expected

236,000

<h

MARKETS

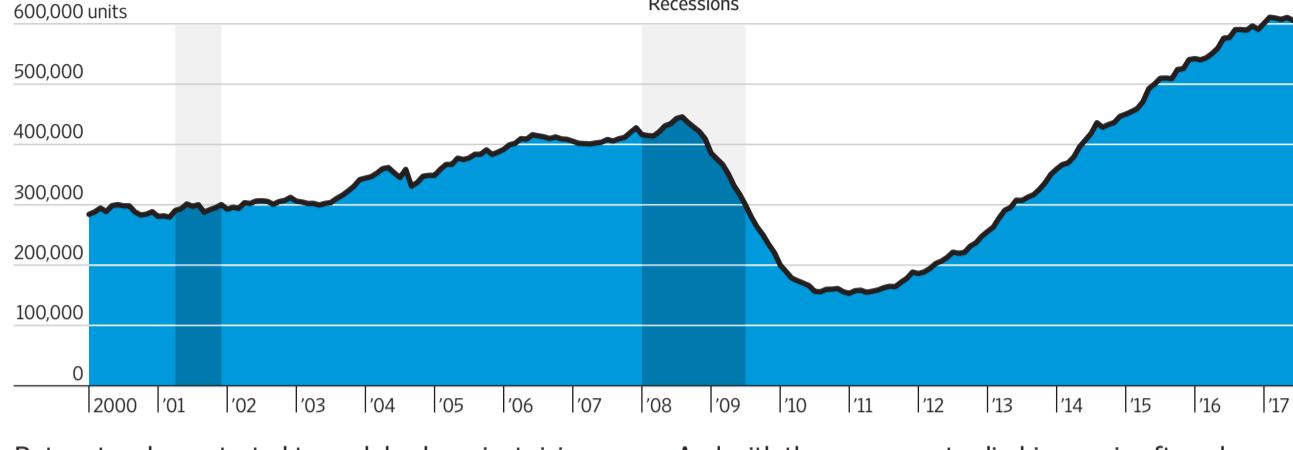
THE DAILY SHOT | By Lev Borodovsky and Amrith Ramkumar

Complications Arise in the Housing Recovery

The U.S. housing market continues to improve, extending gains that began not long after the economy bottomed out in the wake of the financial crisis. But the pace of improvement is slowing and cracks are starting to appear, raising questions about what the end of 2017 may bring.

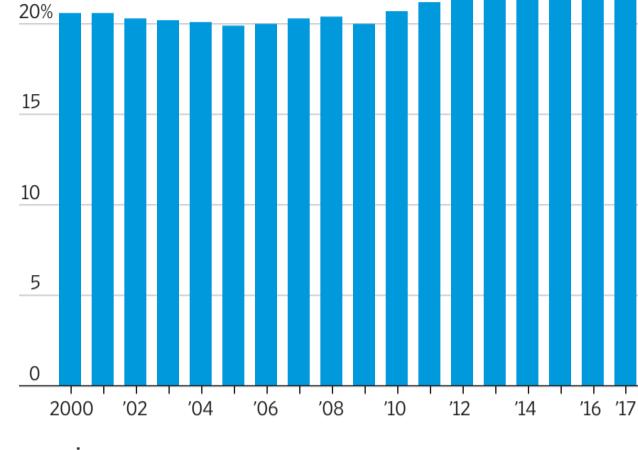
To meet the demand for rentals, the industry went on a building spree. Multifamily housing under construction recently hit its highest level in decades.

New multifamily housing under construction



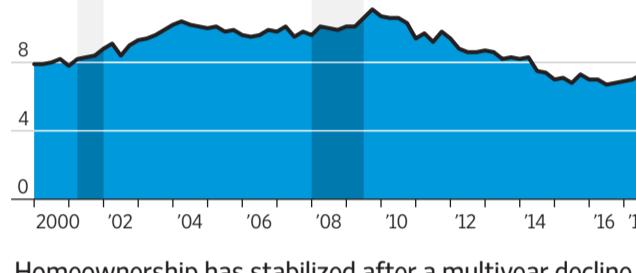
Rental costs as a share of income rose to a record high last year.

Effective rents as percentage of median income



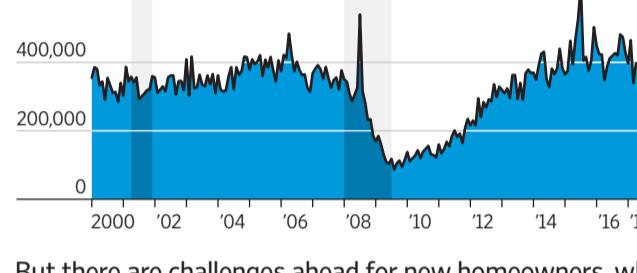
But renters have started to push back against rising costs. The rental-vacancy rate has reversed course.

Rental-vacancy rate, quarterly

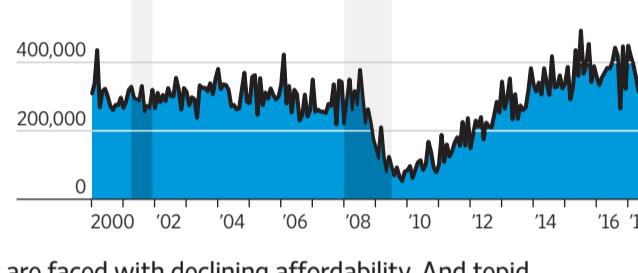


And with the vacancy rate climbing again after a long postrecession descent, new construction has declined.

Multifamily units authorized by building permits*

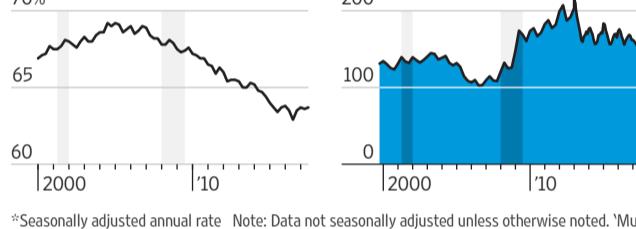


Multifamily housing starts*



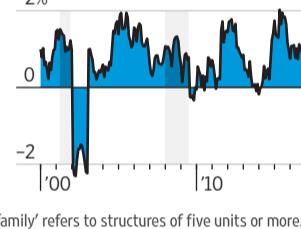
Homeownership has stabilized after a multiyear decline as Americans are buying homes with rents so expensive.

Homeownership rate, quarterly

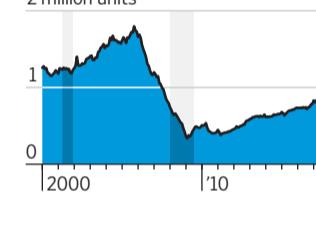


But there are challenges ahead for new homeowners, who are faced with declining affordability. And tepid household formation and weak wage growth are holding back the supply expansion of new single-family homes.

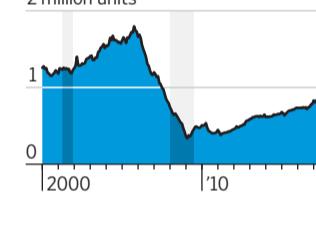
National Association of Realtors Housing Affordability Index



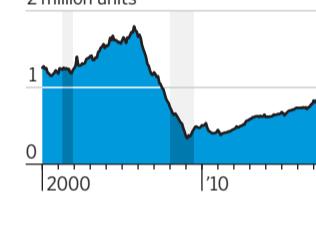
Household formation, change from a year earlier



Single-family units authorized by building permits*



Single-family housing starts*

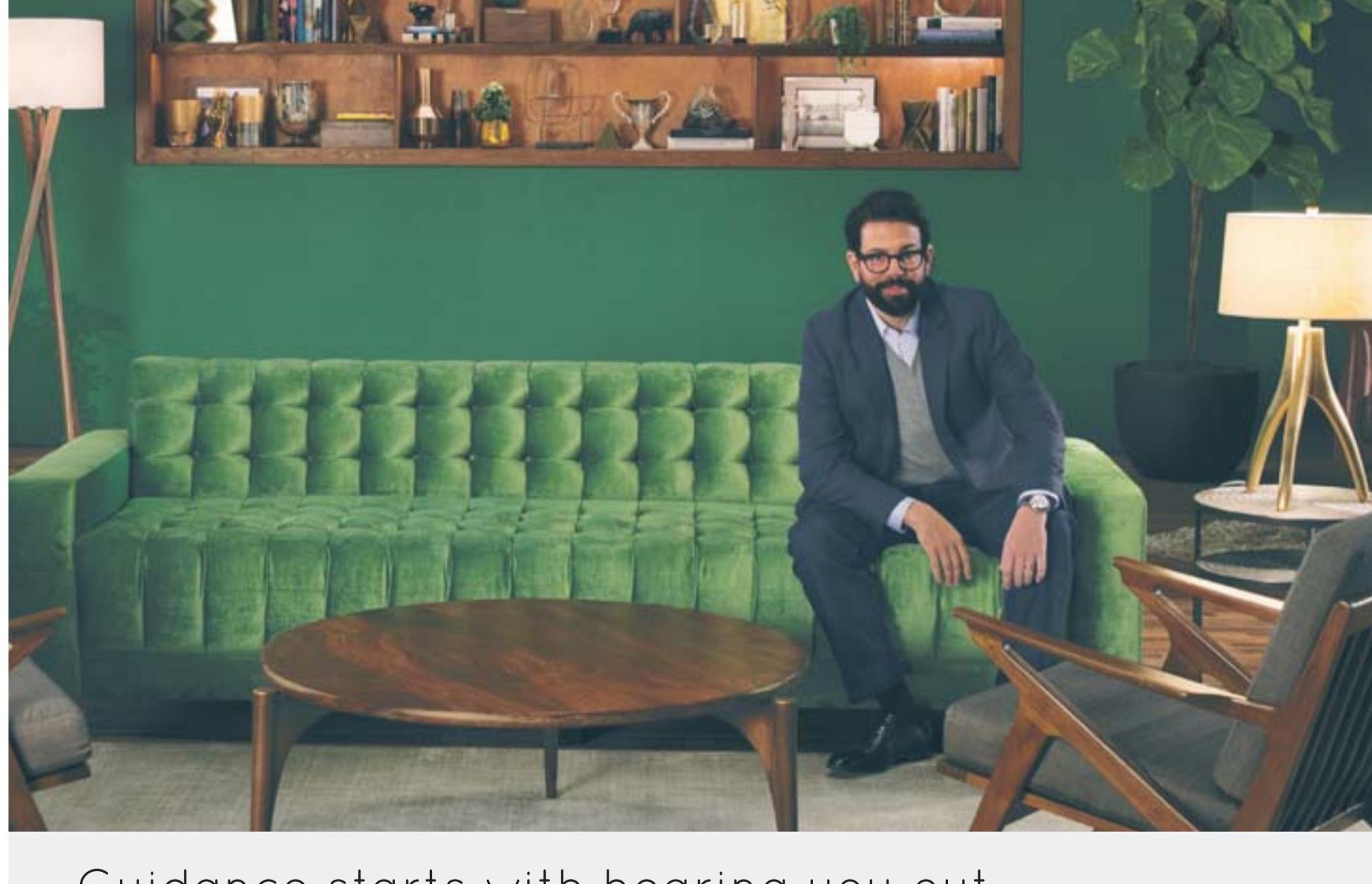


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*Seasonally adjusted annual rate. Note: Data not seasonally adjusted unless otherwise noted. *Multifamily' refers to structures of five units or more.

Sources: U.S. Census Bureau via Federal Reserve (construction, vacancy, permits, starts, homeownership; formation); John Burns Real Estate Consulting (rent); National Association of Realtors via Federal Reserve (affordability)

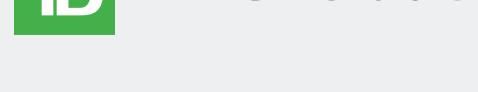
THE WALL STREET JOURNAL.



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